

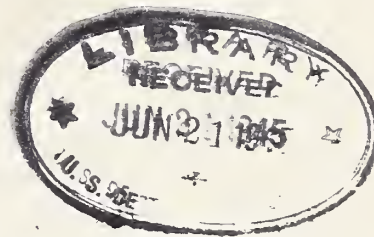
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A B TINSLEY
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AGRICULTURE IN THE ANGLO-AMERICAN TRADE AGREEMENT

. . . . By Harry L. Franklin*

The United Kingdom is the outstanding foreign outlet for American farm products. Agricultural exports from the United States to that market are valued at around \$250,000,000 annually, representing about one-third of the total to all countries. Tariff concessions are made by the United Kingdom in the present agreement on a wide range of these products, covering more than nine-tenths of total American agricultural exports to that country in 1936. Moreover, these tariff concessions in many instances also involve a corresponding reduction in the margin of tariff preference heretofore enjoyed by like products of Empire origin under the Ottawa Agreements of 1932 or the Import Duties Act of that year. Consequently, the Anglo-American trade agreement represents a most constructive achievement in the direction of expanding export outlets for American agricultural products through the reduction of trade barriers.

SUMMARY AND SIGNIFICANCE OF THE AGREEMENT

The trade agreement between the United States and the United Kingdom and with the latter on behalf of Newfoundland and the British Colonial Empire, signed on November 17, 1938,^{1/} is primarily an "agricultural agreement," as far as the United States is concerned. It is designed to confer widespread benefits on American agriculture, through the concessions obtained in favor of exports to the British market.

On the other hand, the many concessions in the form of duty reductions made by the United States on British manufactured goods should lead to larger imports thereof into the United States. In turn, the United Kingdom will have more dollar exchange to pay for American products. Inasmuch as almost 60 percent of the total exports to the United Kingdom in the past have been agricultural products and the major British concessions in the present agreement apply to agricultural products, it is safe to assume that a large part of this additional dollar exchange will be used to purchase American farm products.

*Agricultural Economist, Foreign Agricultural Service. Acknowledgement is made for the use of tabular material prepared by the Departments of State and Commerce and by the Tariff Commission.

^{1/} The agreement becomes effective on January 1, 1939, for an initial period of 3 years, and may continue in force indefinitely thereafter, subject to termination on 6 months' notice by either party.

Commitments in the agreement by the United Kingdom proper, the outstanding foreign market for United States farm products, involve almost 50 agricultural commodities. These concessions - duty reductions, duty removals, bindings of existing duties against increase, and more favorable quota treatment - cover approximately 92 percent (or \$225,750,000 by value) of total agricultural exports from the United States to the United Kingdom, based on 1936 trade figures.

Among the many American agricultural products for which British commitments are obtained are wheat, rice, raw cotton, leaf tobacco, cured hams, lard, certain other pork products, fresh apples and pears, several kinds of canned fruits and fruit juices, dried fruit, honey, certain canned vegetables and tomato juice, certain feeds and feedstuffs, pecans, and certain grass seeds. In the case of wheat and lard, the British import duty is entirely removed, while duty reductions are made in favor of rice, fresh apples and pears, certain canned fruits and vegetables, honey, and dried apples, pears, and peaches. For cured ham, an increase of around 9 million pounds in the British import quota is obtained. Binding against less favorable future treatment of the present duty-free or dutiable status of several agricultural products, including raw cotton, is also provided for in the agreement.

In that part of the agreement pertaining to Newfoundland, duty reductions or bindings are made in favor of 14 American agricultural products or groups of products, while the corresponding Colonial Empire concessions on agricultural products involve more than 350 separate commitments in the various colonies. Of the individual colonial commitments, 78 include "parity with the Empire"; that is, abolishment or preclusion of tariff preference on the corresponding agricultural product of Empire origin.

American concessions in favor of British products comprise a wide range of industrial manufactures and industrial raw materials, with relatively few concessions on agricultural products. The very limited agricultural concessions to the United Kingdom do not cover any major American farm product; and concessions in favor of agricultural products from the Colonial Empire comprise, for the greater part, bindings of noncompetitive tropical products already on the free list.

Through the tariff concessions made by this country on British products - chiefly industrial, as just mentioned - together with those made in favor of Canadian products, it is estimated that the average ad-valorem incidence of the tariff rates on all dutiable goods imported into the United States will be reduced from the present level of 38 or 39 percent to 33 percent or less after January 1, 1939, when the two agreements go into effect. For 1933, before the trade-agreements program had been started, the figure was 53.6 percent. American farmers, as consumers, are vitally affected, of course, by the general tariff level to the extent that domestic prices are thereby increased for the goods they buy. Some of the British products of interest to the American farmer on which duty reductions are made through the agreement are woolen and cotton textiles, woolen blankets, pruning and sheep shears, sole leather, saddlery and leather harness, and agricultural hand tools.

Outstanding Importance of the British Market

The United Kingdom, with its highly industrialized structure, is by far the most important foreign market for American agricultural products. Around 60 percent of that country's total food requirements must be imported. British manufacturing industries consume great quantities of imported agricultural raw materials, such as raw cotton and leaf tobacco - two outstanding export commodities in the United States trade with the United Kingdom. The bulk of American agricultural exports to the British market comprises cotton, leaf tobacco, hams, lard, other pork

products, fresh fruits (chiefly apples, pears, and citrus fruit), canned fruits (chiefly peaches, pears, apricots, and fruit salad), dried fruits (raisins, prunes, and apples), and grains (barley, wheat, and rice).

Exports of American agricultural products to the United Kingdom in recent years have been valued at around \$250,000,000 annually - approximately one-third of the total agricultural exports from the United States. Excluding raw cotton, the British share has been around 50 percent. In 1936, the United Kingdom accounted for more in value of United States agricultural products sold abroad than the aggregate for the 25 leading continental European customers for American farm products. The relative importance of the United Kingdom market in the total United States export trade in agricultural products may be seen from table 2.

For a number of American agricultural commodities, such as cured hams, lard, certain other pork products, canned fruit, barley, hops, honey, and flue-cured leaf tobacco, the bulk of total exports is destined for the United Kingdom. The British market is also of substantial importance for several other American agricultural products, as may be seen from table 1.

Table 1. United States exports of selected agricultural products to all countries and to the United Kingdom, 1929 and 1937

Commodity	Total		To United Kingdom		Percentage of total to United Kingdom	
	1929	1937 ^{a/}	1929	1937 ^{a/}	1929	1937 ^{a/}
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Tobacco, unmanufactured	146,083	134,520	79,886	57,416	54.7	42.7
Cotton, unmanufactured	770,830	368,660	160,198	92,045	20.8	25.0
Fruit, canned	31,365	21,064	21,823	16,479	69.6	78.2
Apples, fresh	33,138	11,565	15,440	4,676	46.6	40.4
Pears, fresh	4,832	4,963	2,090	2,335	43.3	47.1
Oranges, fresh	18,746	8,347	4,232	88	22.6	1.1
Grapefruit, fresh	3,620	1,563	2,330	86	64.4	5.5
Raisins	8,390	8,136	2,330	3,672	27.8	45.1
Prunes, dried	14,838	9,204	2,826	2,167	19.0	23.5
Hams, shoulders, and sides ..	28,304	8,299	22,784	7,102	80.5	85.6
Lard	107,976	16,103	31,633	8,795	29.3	54.6
Sausage casings	6,297	5,686	1,648	2,495	26.2	43.9
Pork, canned	3,695	2,457	2,966	2,008	80.3	81.7
Wheat, grain	111,501	36,029	27,758	6,534	24.9	18.1
Barley	24,155	8,467	9,237	5,828	38.2	68.8
Rice	12,129	6,205	1,787	203	14.7	3.3
Hops	1,384	1,409	648	857	46.8	60.8
Asparagus, canned	3,547	2,389	364	475	10.3	19.9
Honey	775	210	237	120	30.6	57.4

^{a/} Preliminary.

Conversely, on the British import side, several of the American products listed above, such as canned fruit, prunes, dried apples, leaf tobacco, and, normally, lard, comprise the bulk of the United Kingdom's imports from all sources. Likewise, for a large number of other agricultural commodities, the United States is the leading

foreign (non-Empire) source of supply. An outstanding example in this connection is the trade in American canned fruit salad, British imports of which in 1936 (valued at the equivalent of \$3,287,000) represented 99.5 percent of the total from all countries, while British takings that year accounted for approximately 85 percent of United States exports to all countries.

Table 2. Value of United States agricultural exports to all countries and to the United Kingdom, 1937 with comparisons

Period	Total	To United Kingdom	Percentage of total to United Kingdom
	<u>Million dollars</u>	<u>Million dollars</u>	<u>Percent</u>
Average:			
1909-10 to 1913-14 ^{a/}	1,036.0	385.9	37.2
1922-1926	1,953.1	596.9	30.6
1927-1931	1,492.5	388.1	26.0
Annual:			
1932	662.3	162.8	24.6
1933	694.4	191.9	27.6
1934	733.6	224.4	30.6
1935	747.0	258.3	34.6
1936	709.5	245.1	34.5
1937	797.5	260.5	32.7

^{a/} Years ended June 30.

Reductions in Empire Preference

Practically all the duty reductions on American agricultural products obtained in the Anglo-American trade agreement represent also a corresponding reduction in the margin of tariff preference (usually duty-free treatment) established in favor of Empire products in 1932. Consequently, this narrowing of the margin of Empire preference will, in most instances, tend to improve substantially the competitive position in the British market of American agricultural products on which duties are reduced. This should be especially true where the preference has caused a diversion in the import trade from American to Empire sources, as in the case of fresh apples and rice.

Where the preference has not resulted in trade diversion, as in the case of American fresh pears, the duty reduction should enable our pear exporters to put their trade in the British market on a more remunerative basis or to increase the volume of shipments. In the case of American wheat, lard, and canned grapefruit, grapefruit juice, and grapefruit pulp, the British import duty is entirely removed through the agreement, thereby abolishing the previous Empire preference on those products.

For a discussion of British imperial preference and its bearing on the United States agricultural export trade with the United Kingdom, the reader is referred to an article, "British Imperial Preference - Its Relation to United States Farm Exports," in the August 1937 issue of *Foreign Agriculture*. The conclusion was reached therein that, owing to the complex factors involved, it was impossible to determine statistically the amount of trade diversion due exclusively to preference between 1931 and 1935, but that the trend in this direction, i.e., diversion from American to Empire sources, had been unmistakable for several important American farm products. The substantially lowered level of Empire preference (or, in some instances,

its removal) on a number of important American agricultural products brought about by the present agreement is one of the most significant advantages derived from it. In other words, the agreement represents a substantial modification of the British preferential-tariff system inaugurated in 1932 under the Import Duties Act and the Ottawa Agreements of that year.

BRITISH CONCESSIONS ON AMERICAN AGRICULTURAL PRODUCTS

The concessions made by the United Kingdom in favor of American agricultural products, together with the agreement and preagreement rates of British import duties and the trade figures for 1929, 1931, 1936, and 1937 (where available) for each product, are set forth in table 12. Below is a discussion of the principal concessions, according to product, with particular reference to the proportionate share of the United States in the British trade, the competing sources of supply, and the nature of the duty concession, as well as a brief description of the agricultural concessions obtained from Newfoundland and the British Colonial Empire.

Concessions by the United Kingdom

Grain and Grain Products

Wheat - The United Kingdom is the leading wheat-importing market of the world. Formerly about a fourth of total United States wheat exports were destined for the United Kingdom. Under the influence of the world economic depression and the establishment of an import duty in 1932 (with Empire wheat remaining duty-free), imports of American wheat into the United Kingdom dropped from 39,267,000 bushels in 1930 to only 9,000 bushels in 1933, while imports from Empire sources for the corresponding years rose from 79,234,000 bushels to 140,459,000 bushels, as shown by table 3.

Table 3. Imports of wheat into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>Percent</u>	<u>1,000 bushels</u>	<u>Percent</u>
1927....	206,147	66,489	32.3	97,179	47.1
1928....	193,344	44,169	22.8	98,644	51.0
1929....	208,632	41,563	19.9	75,199	36.0
1930....	195,580	39,267	20.1	79,234	40.5
1931....	222,915	20,985	9.4	95,047	42.6
1932....	197,189	8,654	4.4	132,507	67.2
1933....	209,767	9	d/	140,459	67.0
1934....	191,567	245	0.1	107,401	56.1
1935....	188,955	1,107	0.6	102,178	54.1
1936....	188,108	86	d/	157,504	83.7
1937 ^{e/} ..	180,850	6,485	3.6	118,220	65.4

^{a/} The data in tables 3 to 12, inclusive, are of general imports and include reexports. Compiled from the *Annual Trade of the United Kingdom*, Vol. II, and *Accounts Relating to Trade and Navigation of the United Kingdom*. In the original returns, the data are expressed in hundredweight of 112 pounds. For 1927-1929, Palestine included in Empire countries because separate statistics not available; beginning with 1930, included in "foreign" countries because Empire preference does not apply to it.

^{b/} Other important non-Empire sources are Argentina and the Soviet Union.

^{c/} Important Empire sources are Australia and Canada.

^{d/} Less than 0.05 percent.

^{e/} Preliminary.

Owing to the droughts of 1934 and 1936, the United States was not in a position to supply the customary share of British wheat-market requirements, even had there been no tariff on American wheat. With a normal crop in 1937, however, American wheat in the amount of 6,485,000 bushels, valued at \$8,312,000, ^{2/} was imported into the United Kingdom.

The British import duty on non-Empire wheat has been at the rate of 2 shillings per quarter (equivalent to about 6 cents per bushel) since November 17, 1932. By the present agreement, the duty is entirely removed. In view of the large wheat surplus in the United States this year and the probability that this country will continue to be on a wheat-export basis, the British concession of duty-free treatment for American wheat is of distinct value to wheat growers and the wheat-export trade.

Rice - The United Kingdom established a 10-percent ad-valorem duty on non-Empire rice in March 1932, which was increased to 1d. (approximately 2 cents) per pound, effective January 1, 1933. Under the present agreement, the British duty is reduced on American cleaned, whole rice to 2/3d. (1-1/3 cents) per pound, a reduction of one-third.

Table 4. Imports of cleaned, whole rice into the United Kingdom
from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>1,000 pounds</u>	<u>Percent</u>
1927.....	164,159	33,664	20.5	48,684	29.7
1928.....	163,780	36,135	22.1	54,979	33.6
1929.....	154,654	44,437	28.7	50,751	32.8
1930.....	144,200	31,003	21.5	46,590	32.3
1931.....	161,339	36,030	22.3	51,592	32.0
1932.....	178,329	32,716	18.3	59,588	33.4
1933.....	115,815	12,872	11.1	80,815	69.8
1934.....	152,326	12,975	8.5	106,960	70.2
1935.....	132,948	13,086	9.8	114,160	85.9
1936.....	125,020	6,380	5.1	104,556	83.6
1937 ^{d/} ...	129,401	7,090	5.5	111,715	86.3

^{a/} See note a, table 3.

^{b/} Other important non-Empire sources are Germany, the Netherlands, Spain, and Italy.

^{c/} The most important Empire source is British India.

^{d/} Preliminary.

The 1d.-per-pound rate on American rice was equivalent to 53.7 percent ad valorem, ^{3/} while the reduced rate is equivalent to 35.8 percent on the basis of

^{2/} Throughout this analysis, the pound-sterling values of American imports into the United Kingdom have been converted to dollars at the average annual exchange rate for the year specified.

^{3/} The ad-valorem equivalents of British specific duties indicated in this section are based on United Kingdom imports of the particular commodity from the United States in 1936, or 1937 where available.

United Kingdom rice imports from the United States in 1937. Prior to the imposition of the duty on non-Empire rice, the United Kingdom was one of the leading foreign markets for American rice. Under the influence of the duty, while Empire rice remained duty-free, United Kingdom imports of American rice declined from 36,030,000 pounds in 1931 to 7,090,000 pounds in 1937 (as shown in table 4). For the corresponding years, however, imports of duty-free Empire rice rose from 51,592,000 pounds to 111,715,000 pounds.

The United States is confronted with a large rice surplus. Production of rough rice in 1938 is estimated at the record figure of 53.9 million bushels, compared with the 10-year average of 42.5 million bushels during 1927-1936. The present reduction in the British duty on American rice should enable it to regain a substantial share of the British rice market lost since 1933. Incidentally, American rice sells in the United Kingdom market on a quality basis, inasmuch as certain British consumers have for many years past paid a fairly substantial premium for it over other rice available in that market.

Corn (maize) other than flat white - The present duty-free treatment for American yellow corn is bound against change during the period of the agreement. The great bulk of American corn, probably 90 percent or more, exported to the United Kingdom is yellow corn. (Non-Empire corn of the flat-white kind is dutiable at 10 percent ad valorem.) United Kingdom imports of all corn from the United States were valued at \$7,975,000 in 1929; in 1936, they amounted to \$153,000. While Argentina is normally the leading foreign supplier of corn to the United Kingdom market, the United States was the leading non-Empire supplier during the marketing year 1937-38, so far as can be ascertained from available trade statistics.

Livestock Products

Lard - The United States has been for many years the world's largest producer and exporter of lard, in line with its position as the leading hog-producing country. Lard is the third ranking item in value among the various United States agricultural products imported into the United Kingdom; it is exceeded only by raw cotton and tobacco. Of total American exports of lard (including neutral lard) to all countries in 1937, 54.6 percent by value was destined for the United Kingdom, compared with 29.3 percent in 1929.

In spite of the duty established in 1932, American lard imported into the United Kingdom rose from 252,907,000 pounds in 1929 (86.2 percent of total lard imported) to 291,402,000 pounds in 1934 (92.4 percent of the total), as shown in table 5. During 1935-1937, however, the share of the total dropped to around 38 percent of the United Kingdom's total lard imports, primarily because of short domestic supplies in the United States as an aftermath of the droughts of 1934 and 1936 and the concomitant high lard prices.

Lard imported from all sources into the United Kingdom was duty-free until March 1932, when a 10-percent ad-valorem duty was imposed on non-Empire lard. The British concession removing the duty on American lard should tend to check the trend in the United Kingdom toward substitution of other fats and oils for lard, through improving the latter's competitive position as regards price. This, together with a more normal level of domestic supplies, should enable American lard to make substantial quantitative gains in the British market.

Table 5. Imports of lard into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>1,000 pounds</u>	<u>Percent</u>
1927.....	268,468	220,291	82.1	33,618	12.5
1928.....	274,042	230,308	84.0	31,517	11.5
1929.....	293,548	252,907	86.2	31,904	10.9
1930.....	280,560	243,322	86.7	23,834	8.5
1931.....	285,454	231,291	81.0	30,455	10.7
1932.....	271,828	236,526	87.0	17,257	6.3
1933.....	323,154	280,666	86.9	10,512	3.3
1934.....	314,609	291,402	92.6	6,982	2.2
1935.....	171,484	65,484	38.2	26,138	15.2
1936.....	170,309	65,956	38.7	42,342	24.9
1937 ^{d/} ...	164,742	74,416	45.2	45,585	27.7

^{a/} See note a, table 3.

^{b/} Other important non-Empire sources are Denmark (including the Faroe Islands) and the Netherlands.

^{c/} Important Empire sources are Canada and Ireland.

^{d/} Preliminary.

Hams - The outstanding foreign market for American cured hams has long been the United Kingdom. Exports (including shoulders and sides) to the United Kingdom in 1937 represented 85.6 percent of total United States exports of these items, compared with 80.5 percent in 1929. In recent years, hams have ranked fourth in value among the various American agricultural products exported to the United Kingdom.

It may be noted from table 6 that American hams accounted for 80 percent or more of the United Kingdom's total ham imports during 1927-1930 and from 58 to 72 percent during 1931-1935. Owing largely to short supplies as a result of the 1934 and 1936 droughts, the share in 1936 and 1937 declined to less than 50 percent. Now that corn production in the United States is again on a normal basis, approximately 2.5 billion bushels per year, the increase in quota allocation for American hams provided for in the present agreement, is of distinct value to American hog producers and the pork industry.

Hams are free of duty upon importation into the United Kingdom regardless of origin. Quota-import limitations have applied to foreign cured pork, including hams, since November 22, 1932, but only nominally to the Empire product. The quota was definitely restrictive in effect with respect to British imports of American hams in 1933 and 1934. But in 1935, imports from the United States dropped slightly below the quota allocation, and substantially so in 1936 and 1937. Now that the supply position in the United States is regaining a normal basis, the quota level of from 47 to 49 million pounds in 1935-1937 would prove unduly restrictive; consequently, the enlarged British quota concession, as set forth below, is obviously of distinct value.

The guaranteed minimum quantity of American hams that may be imported into the United Kingdom is set at 56 million pounds (500,000 hundredweight) for the first

year under the agreement, and provision is made for the possibility, under certain conditions, of future increases. In addition, the existing duty-free treatment of American hams is bound against change. The text of the concession in this regard reads as follows:

"The quantity of United States hams permitted to be imported shall be the subject of consultation from time to time between the two Governments. The quantity shall not be less than 500,000 hundredweight a year, nor more than the quantity which could, in the opinion of the United Kingdom Government, be accommodated on the United Kingdom market without causing instability in the prices of hams and/or bacon. The provisions of this schedule in respect of both the duty and quota treatment of hams shall, after the expiration of 3 years, be subject to revision by the Government of the United Kingdom after consultation with the Government of the United States of America."

The Danish and Polish Governments have agreed to waive their rights in order to make possible the separate quota for hams only on condition that, after the establishment of the United States quota of 500,000 hundredweight, that quota shall not be increased in any 4-month period by more than 7.5 percent above the quota in the same period of the preceding year.

Table 6. Imports of hams into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>1,000 pounds</u>	<u>Percent</u>
1927.....	99,538	80,204	80.6	16,426	16.5
1928.....	105,507	85,101	80.7	14,940	14.2
1929.....	115,224	94,267	81.8	12,736	11.1
1930.....	112,339	91,885	81.8	11,680	10.4
1931.....	93,089	67,271	72.3	10,127	10.9
1932.....	89,751	52,112	58.1	17,655	19.7
1933.....	97,307	63,193	64.9	22,385	23.0
1934.....	81,567	53,480	65.6	21,706	26.6
1935.....	75,798	46,954	61.9	23,621	31.2
1936.....	75,227	37,279	49.6	33,646	44.7
1937 ^{d/} ...	75,600	34,916	46.2	36,985	48.9

^{a/} See note a, table 3.

^{b/} Other important non-Empire sources are Poland and Danzig, and Argentina.

^{c/} Important Empire sources are Canada and Ireland.

^{d/} Preliminary.

Heretofore, the United States share of the global cured-pork import quota of around 5,300,000 hundredweight granted by the United Kingdom to the 11 "regulated" foreign countries has been 8.1 percent, the great bulk of which was represented by hams. During the period 1934-1937, imports of American hams represented 91.15 percent, and American bacon 0.499 percent of the United Kingdom's retained imports of these respective products from the regulated countries. Under the separation of the global cured-pork quota into bacon and ham quotas, effective January 1, 1939, the United States share for bacon (including shoulders) will be increased to 0.85 percent,

instead of the lower percentage indicated by the 1934-1937 average, and that for hams will be fixed at 91.15 percent but with the guaranteed minimum quantity of 500,000 hundredweight.

Assuming that total cured-pork imports permitted from non-Empire sources in 1939 will be around 5,550,000 hundredweight (for hams only, 550,000 hundredweight), the 0.85 percent for American bacon will represent about 42,500 hundredweight. This quantity plus the guaranteed minimum for American hams makes a total of 542,500 hundredweight of American cured pork. This in turn will represent about 10 percent of the United Kingdom's combined quotas for cured-pork imports, as against the former share of 8.1 percent, or approximately 429,000 hundredweight during 1938.

Pigs' tongues in airtight containers - The United Kingdom is the leading foreign market for American canned pigs' tongues, taking well over three-fourths of total exports of this item. Conversely, United Kingdom import statistics show that around three-fourths of total imports of canned pigs' tongues are of United States origin, with Denmark ranking second as supplier. Imports of Empire pigs' tongues are usually less than 2 percent of the total. Imports from the United States in 1937 were valued at \$2,163,000, compared with \$3,168,000 in 1929.

Imposition of the 10-percent ad-valorem duty on non-Empire pigs' tongues in 1932 did not reduce the proportionate share of American pigs' tongues in the United Kingdom import trade in this product, nor did it increase the Empire (nondutiab!e) share. The British concession binding the existing 10-percent rate against increase, however, is definitely valuable in that it tends to safeguard the present position of American canned pigs' tongues in the British market.

Sausage casings - Imports of American sausage casings during 1927-1934 usually accounted for approximately one-half of the United Kingdom's total. In 1935 and 1936, the proportionate share declined moderately, although the total value in 1936 (\$2,683,000) of American sausage casings imported into the United Kingdom was higher than for any other year during the period 1927-1936. New Zealand is the second ranking supplier in value (21.2 percent of the total in 1936). The British statistical classification includes bladders, casings, and sausage skins. Incidentally, exports of American sausage casings to the United Kingdom in 1937 represented 43.9 percent (by value) of exports to all countries, compared with 26.2 percent in 1929.

The British import duty of 10 percent ad valorem imposed in 1932 on sausage casings of non-Empire origin has not materially injured the export trade with the United Kingdom in this product. In view of the position of the United States as leading supplier and the value of the trade involved, however, the British concession binding the present rate on sausage casings against increase in the future is useful in safeguarding American interests in the British market.

Fruits and Fruit Products

Fresh apples - The United Kingdom has long been the most important foreign outlet for American fresh apples. Exports, of which the United Kingdom ordinarily takes about 40 percent, represent about one-tenth of total apple production. Until the establishment of Empire preference in 1932, the United States was the principal supplier of fresh apples to the United Kingdom, with American apples accounting for about one-half of fresh-apple imports from all sources.

After the establishment of Empire preference, imports from Empire sources (chiefly Australia and Canada) increased to more than 70 percent of the United

Kingdom's total fresh-apple imports during 1933-1937 (with the exception of 1935, when the Empire share was 63.7 percent), while the United States share declined to between 18.3 and 31.8 percent during the same period. Empire preference and short American apple crops during 1933, 1934, and 1936 accounted largely for this decline.

Table 7. Imports of fresh apples into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	1,000 bushels	1,000 bushels	Percent	1,000 bushels	Percent
1927.....	14,376	8,925	62.1	4,517	31.4
1928.....	14,208	6,895	48.5	7,082	49.8
1929.....	13,435	7,208	53.6	5,427	40.4
1930.....	14,401	5,215	36.2	8,920	61.9
1931.....	17,731	8,246	46.5	7,357	41.5
1932.....	18,879	7,299	38.7	9,095	48.2
1933.....	17,383	3,185	18.3	13,575	78.1
1934.....	13,748	3,033	22.1	10,547	76.7
1935.....	16,898	5,376	31.8	10,768	63.7
1936.....	13,132	3,619	27.6	9,483	72.2
1937 ^{d/} ...	12,840	3,101	24.2	9,154	71.3

^{a/} See note a, table 3.

^{b/} Another important non-Empire source is France.

^{c/} Important Empire sources are Australia, New Zealand, and Canada.

^{d/} Preliminary.

United States apples have been dutiable at 4s.6d. per hundredweight since November 1932, whereas apples of Empire origin have remained duty-free. The British concession on American apples reduces the rate to 3s. per hundredweight, a reduction of one-third, during the period August 16 to April 15, inclusive, when the bulk of American shipments to the United Kingdom are made each marketing year. The reduced duty is equivalent to 16.2 percent ad valorem, compared with 24.3 percent for the previous rate. This concession should enable the American apple-export trade to regain a substantial portion of its share of the British market displaced through the 4s.6d. duty.

Fresh pears - The outstanding foreign market for American fresh pears is the United Kingdom. More than one-tenth of the American fresh-pear production is exported, with the United Kingdom accounting for about 45 percent of the exports. Imports of American pears into the United Kingdom in 1937 were valued at \$3,328,000, compared with \$2,423,000 in 1929, an increase of 37 percent.

American pears have been dutiable at 4s.6d. per hundredweight since November 1932, while those of Empire origin have remained duty-free. The duty did not reduce the American share in the British market quantitatively, although it no doubt reduced the profitability of the participation in that market. The present British concession reducing the duty to 3s. per hundredweight, a reduction of one-third, during the period August through January of the marketing year when the great bulk of the American shipments are made, is calculated to provide for a more remunerative participation in the British pear market. The reduced duty is equivalent to 10.7 percent ad valorem, compared with 16 percent for the previous rate.

Table 8. Imports of fresh pears into the United Kingdom from specified sources;
1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>Percent</u>	<u>1,000 bushels</u>	<u>Percent</u>
1927.....	2,414	446	18.5	247	10.2
1928.....	1,926	504	26.2	537	27.9
1929.....	2,415	486	20.1	268	11.1
1930.....	2,306	972	42.1	720	31.2
1931.....	2,771	1,100	39.7	563	20.3
1932.....	2,491	1,190	47.8	675	27.1
1933.....	2,540	1,088	42.8	1,106	43.6
1934.....	2,258	1,026	45.4	882	39.1
1935.....	2,851	1,150	40.3	1,119	39.2
1936.....	2,585	1,178	45.6	1,117	43.2
1937 ^{d/} ...	2,516	1,075	42.7	1,082	43.0

^{a/} See note a, table 3.

^{b/} Other important non-Empire sources are Belgium and France.

^{c/} Important Empire sources are Union of South Africa, Southwest African Territory, and Australia.

^{d/} Preliminary.

Canned fruit salad - The United Kingdom is the premier market for American canned fruit salad, having accounted for approximately 85 percent of total United States exports of this product during the past 2 marketing years. This dominant position in the British market is attested by the fact that imports from the United States in 1935, valued at \$3,603,500, represented 98.5 percent of the United Kingdom's total from all sources, and in 1936, at \$3,287,000, represented 99.5 percent of the total.

Canned fruit salad of foreign origin has been dutiable since November 1932 at 15 percent ad valorem, plus the duty on sugar content, with imports from the Empire remaining duty-free (except for the preferential duty on sugar content). The duty and Empire preference, however, have not militated against the United States trade position of virtually sole supplier of this item in the British market. The present British concession changes the existing ad-valorem duty of 15 percent to a specific duty of 5s.6d., equivalent to 11.5 percent ad valorem on the basis of the average import unit value for 1936. While the amount of duty reduction is moderate, it is calculated to increase the profit margin on American shipments to the United Kingdom and/or increase British takings somewhat.

Canned grapefruit - The outstanding importance of the British market as an outlet for American canned grapefruit is evident from the fact that in 1936 exports of this product to the United Kingdom were valued at \$1,732,000 and in 1935 at \$1,705,700, representing 97.2 and 94.8 percent, respectively, of American canned-grapefruit exports to all countries. Conversely, imports of American canned grapefruit into the United Kingdom in 1936 (the first year for which such imports were separately recorded) accounted for 98.1 percent of the total from all sources.

Canned grapefruit of non-Empire origin has been dutiable at 15 percent ad valorem, plus the sugar duty, since November 1932. The British concession abolishing

the 15-percent rate on American canned grapefruit is of distinct value. It should make possible a considerable further expansion in our present sales in the British market.

Canned grapefruit juice and orange juice - The United States share of total imports, by value, of fruit juice (excluding lemon, lime, and prune juice) into the United Kingdom ranged between 7.5 and 14.4 percent during 1929-1932, but rose steadily thereafter to 52.8 percent in 1936. This increase indicates the rapid expansion that has taken place during recent years in the United Kingdom market for American canned fruit juice. Neither British nor American statistics show separately foreign trade in grapefruit juice and orange juice, but according to United States trade figures, exports of all kinds of canned fruit juice to the United Kingdom totaled 773,600 gallons, valued at \$443,100, in 1936 and 704,381 gallons, valued at \$427,000, in 1937, the most important item of which was probably grapefruit juice (including a mixture of grapefruit juice and orange juice).

Grapefruit juice and orange juice of non-Empire origin have been dutiable since July 1935, at 15 percent ad valorem (10 percent between March 1932 and June 1935), plus the duty on sugar content, if any. While exports of canned fruit juices from the United States to the United Kingdom have increased steadily since 1932 despite Empire preference, the present British concession removing the 15-percent rate on American canned grapefruit juice and orange juice is of distinct value. It should enable a further quantitative expansion of this trade at perhaps a more rapid rate than heretofore.

Grapefruit pulp - Neither American nor British statistics are available regarding trade in this item, but it is known that there is an increasing utilization of grapefruit pulp in the United Kingdom in the preparation of fruit drinks. It is thought that a substantial share of the British market requirements for grapefruit pulp is supplied through imports of American grapefruit pulp.

The British import duty on non-Empire grapefruit pulp is 15 percent ad valorem. Under the present agreement, duty-free entry for American grapefruit pulp is granted. The British customs specification for this concession is "fruit preserved by chemicals or artificial heat and fruit (other than fresh fruit) preserved by artificial cold; but not including fruit preserved in sugar: grapefruit."

Dried apples, pears, peaches, and nectarines - The United States has been for several years the leading supplier of these dried fruits in the British market. Imports of American dried peaches, pears, and nectarines into the United Kingdom in 1936 were valued at \$373,000, representing 73 percent of total imports, by value. While there was a decline during 1933 and 1934, following the establishment of Empire preference, in the proportionate share of the American products in the British market, as well as a substantial decline quantitatively, the United States trade during 1935 and 1936 was at a higher level quantitatively and in proportionate share than in 1929 and 1930, as may be seen from table 9. Shipments from France have declined heavily since 1932, and in 1935 and 1936 were not separately shown in British import statistics.

American dried fruits in this group have been dutiable since February 1933 at the rate of 10s.6d. per hundredweight, with imports of Empire origin remaining duty-free. Under the British concession on this group of American dried fruits, the duty is reduced to 7s. (but not less than 10 percent ad valorem). This represents a reduction in the ad-valorem equivalent of the duty from approximately 25 percent to about 17 percent, and is calculated to improve further the fairly strong competitive position of these American dried fruits in the British market.

Table 9. Imports of dried fruits, n.e.s.,^{a/} into the United Kingdom from specified sources, 1927-1937 ^{b/}

Year	Total	From United States ^{c/}		From Empire countries ^{d/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>1,000 pounds</u>	<u>Percent</u>
1927.....	5,428	3,866	71.2	579	10.7
1928.....	7,509	4,388	58.4	1,577	21.0
1929.....	6,357	3,483	54.8	1,001	15.7
1930.....	6,506	2,667	41.0	2,313	35.6
1931.....	6,168	4,184	67.8	899	14.6
1932.....	6,567	3,446	52.5	1,343	20.5
1933.....	5,145	2,789	54.2	1,789	34.8
1934.....	4,482	2,014	44.9	2,464	55.0
1935.....	4,759	3,966	83.3	789	16.6
1936.....	5,305	3,979	75.0	1,224	23.1

a/ Beginning January 1, 1934, classified as "other fruit and fruit-pulp, preserved by chemicals or artificial heat - apples, pears, peaches, and nectarines."

b/ See note a, table 3.

c/ France was another important non-Empire source until 1935.

d/ Important Empire sources are Union of South Africa, Southwest African Territory, Australia, and Canada.

Miscellaneous Products

Raw cotton - In the last cotton-marketing season (1937-38), the United Kingdom resumed its historic position as the principal foreign market for American cotton. In the immediately preceding years, Japan occupied first place.

Table 10. Imports of cotton, raw (except linters), into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States ^{b/}		From Empire countries ^{c/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 bales</u>	<u>1,000 bales</u>	<u>Percent</u>	<u>1,000 bales</u>	<u>Percent</u>
1927.....	3,239	1,922	59.3	311	9.6
1928.....	3,154	1,816	57.6	403	12.8
1929.....	3,221	1,749	54.3	441	13.7
1930.....	2,538	1,235	48.7	432	17.0
1931.....	2,282	925	40.5	298	13.1
1932.....	2,631	1,529	58.1	279	10.6
1933.....	2,939	1,583	53.9	412	14.0
1934.....	2,641	960	36.3	500	18.9
1935.....	2,661	1,197	45.0	540	20.3
1936.....	3,235	1,293	40.0	732	22.6
1937 ^{d/} ...	3,470	1,597	46.0	715	20.6

a/ See note a, table 3.

b/ Peru is another important non-Empire source.

c/ The most important Empire sources are Egypt, Anglo-Egyptian Sudan, and British India.

d/ Preliminary.

Cotton usually leads in value among the various American products exported to the United Kingdom, but unmanufactured tobacco occasionally ranks first. According to British trade figures, imports of American raw cotton during 5 separate years of the 10-year period 1927-1936 accounted for somewhat more than one-half the value of the United Kingdom's annual imports of the commodity, and ranged in the other years from 36.3 to 48.7 percent of the total. Egypt ranks second as cotton supplier in the British market (21.9 percent of total cotton imports in 1936, by value) followed by British India, the Anglo-Egyptian Sudan, and Peru.

Imports of raw cotton into the United Kingdom are duty-free, regardless of origin. While there are no indications of any intention to establish Empire preference through a duty on non-Empire raw cotton (notwithstanding the efforts that are being made to develop Empire production), the present British concession binding the duty-free treatment of American cotton is a valuable one, particularly in view of the large value of the trade involved. During the life of the agreement, it definitely safeguards that trade from the adverse effect an import duty would likely have on non-Empire cotton.

Unmanufactured tobacco - The United Kingdom is the world's leading tobacco importer; it is also the outstanding foreign market for unmanufactured American tobacco. The dominant position of American leaf tobacco on the British market is shown by the official trade figures of the United Kingdom (table 11). In 1937, imports of unmanufactured tobacco into the United Kingdom aggregated 269 million pounds, of which 205 million pounds were American. This compared with a total of 240 million pounds in 1929, of which 205 million pounds were American.

Table 11. Imports of tobacco, unmanufactured, into the United Kingdom from specified sources, 1927-1937 ^{a/}

Year	Total	From United States		From Empire countries ^{b/}	
		Quantity	Share of total	Quantity	Share of total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>1,000 pounds</u>	<u>Percent</u>
1927.....	222,265	177,442	79.8	40,952	18.4
1928.....	217,785	171,839	78.9	43,084	19.8
1929.....	240,026	205,376	85.6	31,531	13.1
1930.....	237,028	197,765	83.4	35,338	14.9
1931.....	194,046	157,218	81.0	34,328	17.7
1932.....	174,912	125,176	71.6	47,708	27.3
1933.....	211,108	159,896	75.7	49,192	23.3
1934.....	238,875	188,945	79.1	47,567	19.9
1935.....	251,620	202,550	80.5	45,108	17.9
1936.....	270,899	213,525	78.8	52,540	19.4
1937 ^{c/} ...	268,931	204,529	76.1	57,387	21.3

^{a/} See note a, table 3.

^{b/} Important Empire sources are Southern Rhodesia, Nyasaland, British India, and Canada.

^{c/} Preliminary.

In other words, exports of United States leaf tobacco to the United Kingdom have held up rather well, although the proportionate share in the British import market has declined from 85.6 percent in 1929 to 76.1 percent in 1937. American leaf tobacco shipped to the British market is chiefly of the flue-cured type, for use in cigarette manufacture. Consequently, the rather steady increase in cigarette

consumption in the United Kingdom since 1929 accounts for the fact that the volume of American leaf-tobacco exports to that country has been well maintained, notwithstanding the decline in the proportionate share in British total imports.

An import duty varying from the equivalent of \$2.35 to \$2.61 per pound (depending on moisture content of the leaf and whether it is stripped or unstripped) is levied on foreign leaf tobacco imported into the United Kingdom, while Empire leaf is dutiable at a rate approximately 50 cents per pound less. In pursuance of an undertaking by the United Kingdom in the Ottawa Agreements of August 1932 in favor of Canada, India, the Union of South Africa, and Southern Rhodesia, an act of Parliament later that year guaranteed this margin of preference on Empire leaf tobacco until August 19, 1942.

The present agreement provides assurance that the margin of preference in favor of Empire tobacco will not be increased and that the Government of the United Kingdom will be prepared, before decisions are taken as to the level of the preference after August 1942, to examine the position as it then stands and the possibility of reducing the margin of preference.

Canned vegetables: asparagus, corn, and beans - Canned asparagus and canned corn are distinct American specialties. American canned asparagus is noted for its fine flavor and appearance. None is produced in the United Kingdom. In 1936 exports of American canned asparagus to the United Kingdom were valued at \$460,000, canned corn at \$49,100, and canned beans (including pork and beans) at \$103,200. While British import figures do not show these canned vegetables separately, the United States is undoubtedly the chief source of canned asparagus. It is known that Canada is the leading supplier of baked beans (including pork and beans) and a secondary supplier of canned asparagus. The British import duty on foreign canned asparagus, corn, and beans is 20 percent ad valorem, whereas imports of Empire origin are duty-free. Under the present agreement, the 20-percent rate is reduced to 10 percent on canned asparagus and canned sweet corn (including corn on cob), and the 20-percent rate on canned beans is bound against increase.

Honey - The United Kingdom has been the leading foreign market for American honey in recent years, although Germany ranked first during 1924-1929. Exports of American honey to the United Kingdom in 1937 totaled 1,528,000 pounds, valued at \$120,000, compared with 2,499,000 pounds, valued at \$237,000, in 1929. The United States is the leading non-Empire supplier in the British honey market, but is surpassed by Canada, New Zealand, and the British West Indies. Non-Empire honey has been subject to a duty of 7s. per hundredweight since November 1932, equivalent to 15.5 percent ad valorem. Under the present agreement, the duty on American honey is reduced to 5s. per hundredweight (equivalent to 11.1 percent ad valorem on 1936 imports). This reduction of 2s. in the previous rate should enable the trade to make quantitative gains in the British honey market.

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The rates of duty shown in table 12, except those designated as preferential rates, are those applicable to imports from the United States and other non-British countries. Except where a preferential rate is shown, the articles listed are duty-free when imported from British countries. With certain exceptions, the rates of duty shown are those assessed under the British Import Duties Act, 1932, or the Ottawa Agreements Act, 1932, and for most articles listed, are the full duties payable. The exceptions are raisins, dried prunes and dried apricots, edible veal offals, and tobacco. These are dutiable in part or in whole under enactments other than the Import Duties Act and the Ottawa Agreement Act. The rates of duty shown in the table for these products are, however, the full duties payable in respect thereto. In the case of canned fruits preserved in sirup, duty is payable on the sugar content in addition to the duties payable at the rates shown in the table.

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Table 12. Concessions on United States agricultural products by the United Kingdom, effective January 1, 1939

Description of commodity	Rate of duty, ad valorem unless otherwise stated %		United Kingdom imports		
	Before agreement	Under agreement ^{b/}	Year	Total	From United States
				1,000 dollars	1,000 dollars
Grains and grain products:					
Wheat in grain.....	2s. per quarter of 480 lb. (ad-val- orem equivalent 4.8%)	Free	1929 1931 1936 1937	380,654 137,756 188,646 246,431	57,030 13,671 103 8,312
Corn (maize), other than flat white ^{c/}	Free	Free	1929 1931 1936 1937	74,224 44,983 80,838 105,920	7,975 20 153 d/
Rice, husked, including cargo rice and cleaned rice, whole, but not including broken rice.	1d. per lb. (ad- val. equiv. 53.7%)	2/3d. per lb. (ad- val. equiv. 35.8%)	1929 1931 1936 1937	5,913 4,217 e/ 3,295 e/ 3,883	2,006 1,416 e/ 242 e/ 272
Oatmeal (including all cuts of oatmeal, oat groats, flour, and feeding oatmeal or ground oats; but not including oat husks, oat dust, or oat-husk meal), rolled oats, and flaked oats.	7s.6d. per cwt. (ad-val. equiv. 29.9%)	5s. per cwt. (ad- val. equiv. 20%)	1929 1931 1936 1937	3,685 3,447 2,983 2,801	643 238 2 d/
Cornstarch.....	10%	10%	1929 1931 1936 1937	6,356 4,495 4,431 5,112	4,911 1,191 507 d/
Feedstuffs:					
Linseed cake and linseed meal.....	10%	10%	1929 1931 1936 1937	4,729 2,897 2,516 2,915	1,345 767 391 773
Fish meal, other than herring meal.....	10%	10%	1929 1931 1936 1937	d/ d/ 311 d/	d/ d/ 32 d/
Crushed oystershells.....	10%	10%	1929 1931 1936 1937	d/ d/ 1,139 d/	d/ d/ 410 d/
Meats:					
Veal offals, edible, not preserved in any airtight container. ^{g/}	20%	20%	1929 1931 1936 1937	d/ d/ 1,139 d/	d/ d/ 410 d/
Hams, not preserved in any airtight container ^{b/}	Free	Free	1929 1931 1936 1937	26,583 14,591 14,860 15,614	21,783 10,800 7,466 7,205

Continued -

Table 12. Concessions on United States agricultural products by the United Kingdom, effective January 1, 1939, Continued

Description of commodity	Rate of duty, ad valorem unless otherwise stated ^{a/}		United Kingdom imports	
	Before agreement	Under agreement ^{b/}	Year	Total
				From United States
Meats, continued:				1,000 dollars
Pork, chilled or frozen ^{1/}	Free	Free	1929	5,834
			1931	1,091
			1936	1,122
			1937	217
Pigs' tongues, preserved in airtight containers.....	10%	10%	1937	16,076
			1929	466
			1931	3,168
			1936	3,148
			1937	2,248
Pigs' heads, feet, and offal, edible, not preserved in any airtight container.	Free	Free	1937	2,163
			1929	684
			1931	642
			1936	848
			1937	4/
Fruits and nuts:				
Fresh or raw fruit:				
Apples.....	4s.6d. per cwt. (ad-val. equiv. 24.3%)	3s. per cwt., Aug. 16-April 15 (ad-val. equiv. 16.2%)	1929	34,300
			1931	19,938
			1936	35,731
			1937	17,934
Pears.....	4s.6d. per cwt. (ad-val. equiv. 16%)	3s. per cwt., Aug. 1-Jan. 31 (ad-val. equiv. 10.7%)	1937	27,330
			1929	6,076
			1931	2,423
			1936	3,820
			1937	3,426
Fruit preserved by chemicals or artificial heat and fruit (other than fresh fruit) preserved by artificial cold; but not including fruit preserved in sugar:				
Grapefruit.....	15%	Free	1/	-
Dried apples, pears, peaches, and nectarines.....	10s.6d. per cwt. (ad-val. equiv. 24.8%)	7s. per cwt. or 10%, whichever greater (ad-val. equiv. 16.6%)	1929	1/ 672
			1931	1/ 504
			1936	510
			1937	4/
Apples, other than dried.....	25%	3s.6d. per cwt. (estimated ad-val. equiv. 17%)	1/	-
Dried prunes and apricots.....	10s.6d. per cwt. (ad-val. equiv. 32.5%)	10s.6d. per cwt. (ad-val. equiv. 32.5%)	1929	4/ 4,051
			1931	4/ 2,983
			1936	4/ 3,461
			1937	4/ 2,945
Raisins.....	10s.6d. per cwt. (ad-val. equiv. 35%)	10s.6d. per cwt. (ad-val. equiv. 35%)	1929	15,817
			1931	11,278
			1936	11,747
			1937	12,064
				3,094
				3,523
				2,783
				3,671

	25%	15%	£/	-
Fruits and nuts, continued:				
Ripe black olives in brine, imported in a container when the gross weight (including the weight of the container) does not exceed 1 cwt.				
Fruit preserved in sirup: $\frac{1}{2}$				
Apples.....	3s.6d. per cwt. (ad-val. equiv. 14.9%)	2s.3d. per cwt. (ad-val. equiv. 9.6%)	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 279 $\frac{d}{d}$
Apricots.....	15%	15%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 1,453 1,584
Cherries, stoned, with or without added flavoring matter.	25%	15%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ $\frac{d}{d}$ $\frac{d}{d}$
Fruit salad, viz, mixtures of fruit (but not including mixed fruit pulp), containing not less than four separate descriptions of fruit, in which each of at least four constitutes 8 percent or more and no one represents more than 50 percent, by weight, of all the fruit in the mixture (excluding sirup).	15%	5s.6d. per cwt. (ad-val. equiv. 11.5%)	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 3,305 $\frac{d}{d}$
Grapefruit.....	15%	Free	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 1,544 $\frac{d}{d}$
Loganberries.....	15%	4s. per cwt. (ad-val. equiv. 9.7%)	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ $\frac{d}{d}$ $\frac{d}{d}$
Peaches.....	15%	15%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 5,936 4,708
Pears.....	15%	15%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 6,225 4,593
Pineapples.....	15%	5s. per cwt. (ad-val. equiv. 12.6%)	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 6,603 5,999
Fruit juices, sweetened or unsweetened, including such juices concentrated or preserved or flavored:				
Grapefruit juice.....	15%	Free	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 7,060 3,949
Orange juice, including such juice containing detached cells of fruit but excluding cut or pulped oranges containing peel.	15%	Free	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 6,410 732
Prune juice and pineapple juice.....	10%	10%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 4,773 5,973
Pecan nuts, shelled or unshelled.....	10%	10%	1929 1931 1936 1937	$\frac{d}{d}$ $\frac{d}{d}$ 5,973 $\frac{d}{d}$

Continued -

Table 12. Concessions on United States agricultural products by the United Kingdom, effective January 1, 1939, Continued

Description of commodity	Rate of duty, ad valorem unless otherwise stated a/		United Kingdom imports		
	Before agreement	Under agreement b/	Year	Total	From United States
				1,000 dollars	1,000 dollars
Other food products:					
Citrus-fruit pectin in powder form.....	10%	10%	1929 1931 1936 1937	d/ d/ £/ 378 d/	d/ d/ £/ 63 d/
Honey.....	7s. per cwt. (ad- val. equiv. 15.5%)	5s. per cwt. (ad- val. equiv. 11.1%)	1929 1931 1936 1937	1,292 800 620 d/	281 185 62 d/
Lard.....	10%	Free	1929 1931 1936 1937	37,918 26,806 19,584 20,509	32,602 21,693 7,808 9,073
Oleomargarine, oleo oil, and refined tallow, not includ- ing premier jus.	10%	10%	1929 1931 1936 1937	4,220 2,329 1,829 £/ 4,203	1,828 1,126 559 £/ 434
Sausage casings, wholly of animal origin.....	10%	10%	1929 1931 1936 1937	4,045 3,349 6,151 6,321	2,017 1,339 2,410 2,683
Vegetables preserved in airtight containers, but not including vegetables and pickles preserved in vinegar:					
Asparagus.....	20%	10%	1929	d/	d/
Sweet corn (maize), including corn on the cob.....	20%	10%	1931	£/ 767	£/ 251
Beans, with or without flavoring, but not including beans in pod.	20%	20%	1936	£/ 1,056	£/ 404
Tomato juice, preserved in airtight containers.....	10%	10%	1937	d/	d/
Tobacco, unmanufactured:			£/	-	-
If unstripped:					
Containing 10 pounds or more of moisture in every 100 pounds weight thereof.	9s.6d. per lb. (pref.7s.5-1/2d. per lb.)	Existing margin of preference bound g/	1929	£/ 61,858	£/53,931
Containing less than 10 pounds of moisture in every 100 pounds weight thereof.	10s.6d. per lb. (pref.8s.2-7/8d. per lb.)	Existing margin of preference bound g/	1931 1936 1937	£/34,700 £/69,442 £/65,979	£/27,506 £/59,941 £/55,298
If stripped:					
Containing 10 pounds or more of moisture in every 100 pounds weight thereof.	9s.6-1/2d. per lb. (pref.7s.5-7/8d. per lb.)	Existing margin of preference bound g/	1929	£/21,620	£/18,720
Containing less than 10 pounds of moisture in every 100 pounds weight thereof.	10s.6-1/2d. per lb. (pref.8s.3-1/4d. per lb.)	Existing margin of preference bound g/	1931 1936 1937	£/12,452 £/15,534 £/20,050	£/10,314 £/12,068 £/14,540

Cotton:					
Raw.....	Free	1929	367,405	183,855	
		1931	119,138	45,224	
		1936	219,905	83,760	
		1937	231,802	£/ 97,008	
Linters, unbleached.....	Free	1929	1,061	815	
		1931	410	355	
		1936	2,236	1,571	
		1937	3,623	g/	
Waste, unmanufactured, i.e., waste arising in any process up to and including spinning or in the doubling process or (not being a waste piece of tissue or of a like material) in the knitting or weaving or ancillary finishing processes, which has not been subjected to any process after becoming waste.	Free	1929	7,292	3,519	
		1931	3,723	1,224	
		1936	4,690	1,116	
		1937	5,777	g/	
Seeds: 1/					
Meadow fescue (<i>festuca pratensis</i>).....	10%	1929	2,381	284	
Smooth-stalked meadow grass (<i>poa pratensis</i>)	10%	1931	1,594	208	
Agrostis, variety alba	10%	1936	903	256	
Timothy (<i>phleum pratense</i>)	10%	1937	g/	g/	

United Kingdom import statistics are converted at the average rate of exchange for each year shown (1929, £1 = \$4.5350; 1938, £1 = \$4.5709; 1937, £1 = \$4.9440).

a/ The ad-valorem equivalents of United Kingdom specific duties as shown in the duty columns are based on United Kingdom imports from the United States in 1936 or, where available, 1937.

b/ When the rate is the same as that shown in the preceding column, a binding of the rats against increase is indicated.

c/ Import figures are for all corn.

c/ Import figures
d/ Not available.

e/ Figures include mixtures of whole and broken rice.

f/ Imports not available for any of years considered.

g/ The right to regulate quantitatively the imports of veal offals into the United Kingdom is reserved.

h/ The quantity of United States hams permitted to be imported shall be the subject of consultation from time to time between the two Governments. This quantity shall not be less than 500,000 cwt. a year or more than the quantity that could, in the opinion of the United Kingdom Government, be accommodated on the United Kingdom market without causing instability in the prices of hams and/or bacon. The provisions with respect to both the duty and the quota treatment of hams shall after the expiration of 3 years be subject to revision by the Government of the United Kingdom after consultation with the Government of the United States.

1/ The right is reserved to regulate quantitatively the imports of pork, chilled or frozen, into the United Kingdom.

1/ Figures are for dried fruit, n.e.s.

k/ Figures are for dried plums, prunes, and prunellos, including greengagee, damsons, mirabelles, and apricots.

1 / Rates of duty and preferential-duty margins with respect to sugar content bound in relation to rates of duty and preferential-duty margins on sugar imported as such.

m/ Figures are for preserved currants, goosberries, loganberries, raspberries, and strawberries.

n/ Figures are for all fruit pectin.

of Figures include premier jus.

p/ Figures are for all canned vegetables other than peas and tomatoes.

q/ See text for additional undertaking regarding tobacco.

r/ Total imports of untripped tobacco;

1/ Total imports of unstripped tobacco
s/ Total imports of stripped tobacco.

2/ Not including cotton of 1-1/4 inch staple and over.

u/ Figures include bleached linters.

v/ Import figures are for all grass seeds in 1929 and 1931; import figures are for grass seeds, other than cocksfoot and ryegrass in 1938.

Concessions by Newfoundland

Fourteen concessions in the nature of duty reductions, bindings, or assurances of parity-with-Empire tariff treatment (preclusion of Empire preference) in favor of American agricultural products imported into Newfoundland were obtained in the agreement. These concessions (listed in table 13) apply to American wheat flour, salted beef (in barrels), salted pork (in barrels or half barrels), hams and tongues (dry salted or pickled), fresh apples, oranges, lemons, and other fresh fruits (n.e.s.), prunes, raisins, certain other dried fruits (apples, pears, apricots, peaches, and nectarines), lard (including compounds, neutral lard, and lard stock), condensed milk, and tobacco (various classifications). Some of the more important concessions are briefly described by group.

Table 13. Concessions on United States agricultural products by Newfoundland, effective January 1, 1939

Description of commodity	Rate of duty and margin of preference - ad valorem unless otherwise stated				Value of imports, year ended June 30, 1937	
	Before agreement		Under agreement		From United States	Total
	Rate of duty	Margin of British preference	Rate of duty	Margin of British preference		
					1,000 dollars	1,000 dollars
Wheat meal and flour..	Free	Nil	Free	Nil	425.4	2,385.4
Beef, salted, in barrels.	\$1.55 per barrel	Nil	\$1.55 per barrel	a/ Nil	495.0	660.8
Pork, salted, in barrels or half barrels.	\$1.55 per barrel	Nil	\$1.55 per barrel	a/ Nil	390.0	502.3
Hams and tongues, dry salted or pickled.	4¢ per pound	Nil	3¢ per pound	a/ Nil	4.0	80.9
Apples, raw,.....	Free	Nil	Free	Nil	49.5	105.6
Oranges, lemons, and other fresh fruits, n.e.s., but not bananas	Free	Nil	Free	Nil	140.2	224.3
Dried fruits (except dates, and raisins s.p.f.).	3¢ per pound	Nil	2¢ per pound	a/ Nil	69.4	89.5
Prunes, figs, and fig-cake.	Free	Nil	Free	Nil	29.3	30.0
Raisins, natural-dried Sultana-type.	3¢ per pound	3¢ per pound	Free	Nil	b/	27.6
Lard, lard compound, etc.	50%	10%	30%	a/ Nil	1.2	26.1
Lard, neutral stock, lard oil, to be used in manufactures.	25%	10%	Free	Nil	0.5	32.5
Lard, lard stock, vegetable oils, etc., imported by manufacturers of butterine or oleomargarine.	Free	Nil	Free	Nil	11.5	392.0
Milk, preserved, sterilized, or condensed.	2.5¢ per pound	Nil	Free	Nil	52.3	285.3
Tobacco leaf and stems.	Free	Nil	Free	Nil	119.6	124.3

a/ The Government of Newfoundland may increase the rate of duty or margin of preference, but if such action is taken, the Government of the United Kingdom, recognizing that the equilibrium of the agreement will be disturbed, undertakes, not less than 30 days prior to the date on which such increase of rate or margin of preference becomes effective, to enter into discussion with the United States with a view to restoring the equilibrium of the agreement. b/ Included under "dried fruits" above.

Livestock Products

Newfoundland has regularly been the leading export market for American salted or pickled pork and beef. In 1936, such exports to Newfoundland were valued at \$334,700 and \$524,000, respectively. The import duty on these products, at the rate of \$2.05 per barrel, was reduced, effective January 1, 1938, to \$1.55 per barrel (equivalent to 6.9 percent ad valorem on salted pork and 8.5 percent on salted beef). Under the present agreement, this comparatively low rate is bound against increase. The duty on hams and tongues, dry salted or pickled, is reduced from 4 cents to 3 cents per pound, while the duty on lard and lard compounds (other than for manufacture) is reduced from 50 percent to 30 percent ad valorem.

Fruits and Fruit Products

The United States is the leading supplier in the Newfoundland market of several fresh and dried fruits. It has long been the chief supplier of raisins, and under the present agreement the import duty of 3 cents per pound on American natural-dried Sultana-type raisins is entirely removed. Exports to Newfoundland of American raisins, predominantly of the type just mentioned, were valued at \$33,500 in 1936 and at \$35,500 in 1935. The present duty-free treatment of oranges, of which the United States is also the principal supplier, is bound in the agreement against change. In 1936, exports of American oranges to Newfoundland were valued at \$82,000. Similar treatment - assurance of continued duty-free entry - is accorded American prunes, exports of which to Newfoundland in 1936 were valued at \$38,700. Assurance is given in the agreement that no Empire preference will be accorded fresh apples in the Newfoundland market, where the United States is the second ranking supplier. American shipments of fresh apples to that country in 1936 were valued at \$45,300.

Tobacco

American leaf tobacco accounts for virtually 100 percent of Newfoundland's imports of that product. In view of the rapidly increasing tobacco production in several parts of the British Empire, the present agreement assurance that Empire preference will not be extended to leaf tobacco by Newfoundland is a valuable concession in that it tends to safeguard the present position of American leaf in that market. United States exports of leaf tobacco to Newfoundland in 1937 totaled 696,000 pounds, valued at \$173,700, the bulk of which was Burley, flue-cured, and fire-cured leaf.

Concessions by the British Colonial Empire

Concessions in favor of American agricultural products are made by 33 separate territories comprising the British Colonial Empire. These concessions apply to a wide range of agricultural products, such as wheat flour, corn meal, other cereal products, leaf tobacco, various meats and meat products including lard, fruits and fruit products, fresh and canned vegetables, grain, certain feeds and feedstuffs, poultry, eggs, and dairy products.

More than 300 separate commitments by various parts of the British Colonial Empire in behalf of American agricultural products are involved; namely, 239 bindings of existing duties against increase and 62 reductions in colonial import duties. For instance, the existing import duty on American lard is bound against increase in 16 colonies and is reduced in 5 colonies; whereas for dried fruit 18 bindings and 6 reductions are obtained, and for leaf tobacco 8 bindings and 19 reductions. A summary of these concessions is contained in table 14.

Table 14. Summary of concessions on United States agricultural products by the British Colonies ^{a/}

Description of commodity	Reductions		Bindings		Parity (by reduction or binding) ^{b/}	
	Number	Value of 1936 imports from United States	Number	Value of 1936 imports from United States	Number	Value of 1936 imports from United States
		Dollars		Dollars		Dollars
Feedstuffs.....	-	-	12	285,828	-	-
Fruit:						
Fresh.....	4	29,717	24	549,723	14	313,574
Canned, bottled, or preserved, including fruit juice.....	7	35,777	24	138,842	9	44,729
Dried.....	6	35,995	19	114,536	5	61,923
Grains and grain products:						
Wheat flour.....	4	3,773	3	706,729	5	705,700
Others.....	4	19,512	31	281,877	9	87,453
Horses and mules.....	-	-	7	49,898	-	-
Meats and meat products:						
Smoked or cured, including bacon and hams.....	1	6,134	13	94,263	2	2,411
Salted or pickled.....	2	23,681	14	171,249	-	-
Lard.....	5	10,936	16	15,803	5	7,650
Miscellaneous.....	-	-	14	167,331	-	-
Eggs.....	2	43,918	3	23,732	-	-
Milk and milk products.....	2	3,724	10	98,160	1	17,204
Tobacco, unmanufactured....	19	437,348	8	1,271,094	21	1,496,389
Vegetables:						
Fresh.....	2	7,495	16	160,509	-	-
Canned or bottled.....	4	15,230	9	30,472	2	6,249
Miscellaneous agricultural products.....	-	-	16	176,499	5	14,494
Total.....	62	673,240	239	4,336,545	78	2,757,776

a/ Effective January 1, 1933, or as soon thereafter as necessary action is practicable in each colony. Concessions were made on United States agricultural products by 33 separate territories of the British Colonial Empire. For a complete list of concessions made by each territory on the various agricultural products, showing the rates of duty and/or preferences involved, see press release of the Department of State, "The Trade Agreement with the United Kingdom," November 17, 1933, pp. 123-152.

b/ The figures given under this heading are also included in the columns to the left covering reductions and bindings, since the latter columns refer to reductions and bindings regardless of whether parity results or not.

The establishment and extension of Empire preference in several of the British colonial dependencies during the past few years have tended to divert purchases from foreign to Empire sources, particularly for certain agricultural products available for export in the British Dominions.

In addition to the duty bindings and reductions mentioned above, 78 separate commitments in the nature of parity-with-Empire treatment (abolishment or preclusion of preference) for certain American agricultural products are obtained from various parts of the British Colonial Empire.

In a still larger number of instances, the margin of preference is reduced to a stipulated amount, and in others assurance is given that the existing margin of Empire preference will not be increased during the period of the agreement. Some of the commitments of the nature described will probably be as valuable as actual reductions in duty - in some instances even more valuable in enabling American agricultural products affected to regain all, or at least a substantial portion, of the trade enjoyed before adoption of Empire preference.

Owing to the wide range of agricultural products and the large number of separate commitments involved, as may be seen from table 14, individual concessions obtained from the British Colonial Empire are discussed only for the following important commodity groups.

Wheat Flour

Concessions on American wheat flour are obtained from seven colonies. The total value of trade in 1936 covered by these concessions exceeded \$710,000. The bulk of these concessions is represented by the binding of the existing equal treatment in Nigeria and the Gold Coast. Reductions in preferential margins are made in four of these territories (three of which provide for parity treatment). Since the preferential duties practically excluded American wheat flour from these four territories, recent trade figures do not indicate the importance of these concessions. United States exports of wheat flour to them before preferences were introduced, however, were valued at about \$200,000 annually.

Grains and Grain Products, Other Than Wheat Flour

In addition to the concessions on wheat flour, 35 concessions (chiefly bindings) are obtained for other grains and grain products, including corn meal. Despite the effect of Empire preference, the trade covered by these concessions amounted to \$301,000 in 1936.

Unmanufactured Tobacco

Nineteen reductions in the British margin of preference, eighteen of which establish parity with Empire tobacco, cover a trade valued in 1936 at \$437,000. In addition, bindings of the present status as to preference in seven territories (three of which guarantee continuance of parity with Empire tobacco) cover a trade valued in 1936 at \$1,271,000. The major portion of the latter figure represents imports of leaf tobacco into Nigeria and the Gold Coast, where the existing equality of treatment is bound by the agreement.

Fruits

Reductions in and bindings of existing margins of preference on fresh, dried, and canned fruit cover a trade valued at \$905,000 in 1936. These concessions should provide increased opportunities for the sale of American fresh, dried, and canned fruits in the colonial territories involved.

Meat Products

Concessions on American smoked, salted, canned, or otherwise-preserved meats apply to imports from the United States that in 1936 were valued at \$463,000. The most important and numerous of these concessions by various parts of the British Colonial Empire cover bacon and hams, pickled beef and pork, and lard.

AGRICULTURAL CONCESSIONS MADE BY THE UNITED STATES

Inasmuch as the Anglo-American trade agreement is designed primarily to benefit agriculture, as far as the United States is concerned, and primarily industrial manufactures, with respect to the United Kingdom, our agricultural concessions in favor of products originating in the United Kingdom are relatively limited. This applies also to the concessions in favor of Newfoundland (two agricultural concessions only), while those made in favor of the British Colonial Empire relate largely to nondutiable tropical or semitropical products, such as rubber, cacao beans, tea, copra, sisal, and various spices - products primarily noncompetitive with American agricultural output.

Concessions made by the United States applying to dutiable agricultural products originating in the United Kingdom, Newfoundland, or the British Colonial Empire are listed in table 16, indicating the rates of duty in effect before and under the agreement, the ad-valorem equivalent of specific duties reduced, and imports by value into the United States of the particular product in 1937. Also, when appropriate, brief comments are inserted regarding production of the commodity in the United States, the competition of the imported with the domestic product, and other pertinent data. Table 15 contains a list of nondutiable agricultural products bound on the United States free list under the agreement, together with the value of such imports into the United States during 1937.

Concessions to the United Kingdom

Agricultural concessions made by the United States in favor of United Kingdom products do not involve like products of major importance to American agriculture. Among the concessions (complete list in tables 15 and 16) are commitments applying to venison, meat extracts, birds, n.s.p.f., (excluding chickens, turkeys, ducks, geese, and guineas), patent barley and barley flour, malt vinegar, orchid plants, certain seeds, and palm-kernel oil. The following discussion of the concessions applying to palm-kernel oil is in lieu of comments in table 16, where the dutiable product is listed.

The import duty on edible palm-kernel oil is reduced from 1 cent to 0.5 cent per pound, while the duty-free entry of inedible palm-kernel oil is bound against change during the period of the agreement. For both the edible and the inedible oil, the existing internal tax of 3 cents per pound is bound against increase. In the event, however, that the internal tax on palm-kernel oil is repealed, the duty reduction granted on the edible oil shall lapse, but no duty in excess of the preagreement rate of 1 cent per pound shall be imposed on edible palm-kernel oil during the period of the agreement. Palm-kernel oil is used largely in the soap industry (although coconut oil is more generally preferred for that purpose) and to some extent in the bakery and confectionery industries. Most other foreign competing oils are also subject to substantial duties and/or internal taxes.

Concessions in Behalf of Newfoundland

The two agricultural concessions made in favor of Newfoundland products comprise duty reductions on lingon (or partridge berries), imports of which are relatively unimportant (less than \$40,000 in value in 1937), and frozen blueberries. The import duty on frozen blueberries is reduced from 25 percent to 17.5 percent ad valorem. Newfoundland and Canada supply practically all the imports into the United States of frozen blueberries, shipments received from those two sources in 1937

having been valued at \$396,000 and \$220,000, respectively. Imports of frozen blueberries probably equal about a third of domestic United States production. A large part of the imports of frozen blueberries, however, comes in during months when fresh blueberries are out of season. (Concessions to the Colonial Empire are discussed on page 582.)

Table 15. Agricultural concessions through binding of commodities on the United States free list in favor of the United Kingdom and the British Colonial Empire

Description of commodity	Value of 1937 imports	
	Total	From the British Colonial Empire ^{a/}
	1,000 dollars	1,000 dollars
Arrowroot (including crude, starch, flour, and manufactures).....	309	282
Cocoa or cacao beans and shells thereof.....	52,331	27,795
Coir fiber.....	77	71
Patchouli leaves.....	71	66
Dried pawpaw juice or crude papain....	268	140
Sisal.....	b/	c/ 1,773
Hides and skins of India water buffalo, for use in rawhide articles....	368	UK 32
Rubber (principally Hevea in sheets), crude, unmanufactured.....	237,307	167,149
Rubber, milk or latex, unmanufactured.	10,214	3,980
Jelutong or pontianak, unmanufactured.	2,018	1,834
Gutta-percha, unmanufactured.....	389	217
Gutta siak, unmanufactured.....	52	51
Derris or tuba root.....	98	73
Copra.....	17,891	1,361
Palm nuts and palm-nut kernels.....	2,673	792
Essential and distilled oils:		
Cinnamon oil.....	192	143
Citronella oil.....	492	242
Lime oil.....	611	280
Palm-kernel oil (inedible) for mechanical or manufacturing purposes ^{d/}	8,396	UK 1,178
Cloves, unground.....	528	232
Cinnamon and chips of, unground.....	92	88
Ginger root, unground, not preserved or candied.....	64	45
Nutmeg, unground.....	642	367
Pimento (allspice), unground.....	74	73
Locust or carob beans, pods, and seeds	35	20
Tea, n.s.p.f.....	21,366	6,337
Tobacco stems, not cut, ground, or pulverized.....	100	UK 61

a/ The letters "UK" indicate that imports are from the United Kingdom, in whose favor the concession was made primarily, rather than the British Colonial Empire.

b/ Statistics are not separately reported.

c/ Statistics are not strictly comparable with the revised classification under the agreement.

d/ In the event that the United States ceases to impose an internal tax with respect to palm-kernel oil, the provisions for the tariff treatment of such oil shall cease to be in effect but no tariff rate in excess of 1 cent per pound shall be imposed on such oil.

Table 16. Agricultural concessions involving dutiable products granted by the United States to the United Kingdom, Newfoundland, and the Crown Colonies. effective January 1, 1939

Description of commodity	Rate of duty		Ad-valorem equivalent of rate under agreement %	Value of 1937 imports	
	Before agreement	Under agreement %		Total	From the United Kingdom £/ 1,000 dollars
Dried pawpaw juice or crude papain, natural and uncompounded, not edible, n.s.p.f., but advanced in value or condition beyond that essential to prevention of decay, etc. Imports are not competitive with any domestic product; n.s.p.f.=not specially provided for. Palm-kernel oil, edible..... See comment on this item on page 576.	10%	5%	Percent 5	1,000 dollars d/	1,000 dollars C d/
	1¢ per lb. and processing tax of 3¢ per lb.	0.5¢ per lb. and processing tax of 3¢ per lb.	50	810 d/	250
	12.5%	12.5%	12.5		C d/
Patchouli oil, not containing alcohol.. Not directly competitive with any American product. Molasses and sugar sirups, n.s.p.f., which contain soluble nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 percent of the total soluble solids: Testing not above 48% total sugars Testing above 48% total sugars.... As pointed out on page 582, the distinctive flavor and higher price for the Barbados-type molasses covered by the foregoing customs specification, make it largely noncompetitive with domestic production.	0.25¢ per gal.	1/6¢ per gal.	16	579 g/	g/ C 447
	0.275¢ per gal. additional for each 1 percent of total sugars.	11/60¢ per gal. additional for each 1 percent of total sugars. Concession to apply to annual quota of 1.5 million; additional imports dutiable at old rate.			
Manufactured or unmanufactured tobacco, n.s.p.f. Imports, equivalent to only a small fraction of 1 percent of domestic production, comprise chiefly tobacco mixtures supplying a specialized demand.	55¢ per lb.	35¢ per lb.	20	188	164

Venison, fresh, chilled, or frozen, n.s.p.f.	6¢ per lb.	3¢ per lb.	15	15	14
Meat extract.....	15¢ per lb.	15¢ per lb.	40	390	140
Production in the United States is relatively small.					
Meat pastes, prepared or preserved, n.s.p.f., packed in airtight contain- ers weighing each not over 3 ounces; not including liver paste.	6¢ per lb.; 20% minimum.	6¢ per lb.; 10% minimum.	h/	d/	d/
Imports are small and consist principally of high-priced specialties.					
Birds, n.s.p.f. (excluding chickens, turkeys, ducks, geese, and guineas), dead, dressed or undressed, fresh, chilled, or frozen.	10¢ per lb.	5¢ per lb.	19	31	18
Imports of game birds are negligible compared with domestic production.					
Patent barley and barley flour.....	2¢ per lb.	2¢ per lb.	8	36	36
Imported principally by domestic manufacturers of infant and invalid foods; the bulk of such im- ported flour is said not to be similar to the barley flour produced in the United States.					
Oatmeal, rolled oats, oat grits, and similar oat products.	80¢ per 100 lb.	10%, but not less than 40¢ nor more than 80¢ per 100 lb.	9.5	20	9
Imported oatmeal is largely of the old-fashioned type, which requires hours for cooking, rather than the "rolled" grain, domestic type, which re- quires only a few minutes' cooking. Imported oat- meal sells for a higher price than the domestic rolled oats.					
Lingon or partridge berries, natural or in brine.	1.25¢ per lb.	5/8¢ per lb.	14	d/	g/N 38
Lingon or partridge berries resemble cranberries in appearance and use. Imports are small in re- lation to domestic production of cranberries.					
Edible berries, frozen:					
Blueberries.....	25%	17.5%	17.5	617	N 396
Others.....	35%	17.5%	17.5	15	4
See page 576 for discussion of the concession on frozen blueberries. Imports of frozen berries other than blueberries are irregular and of small consequence.					
Malt vinegar.....	8¢ per proof gal.	4¢ per proof gal.	17	d/	g/ 9
Not made in the United States so far as is known.					
Limes, in natural state or in brine....	2¢ per lb.	1.5¢ per lb.	57	279	C 65
Imports consist almost entirely of fresh limes.					
Pineapples, not in bulk.....	35¢ per crate	35¢ per crate	20	7	C 0.4
Imports are very small in relation to shipments of fresh pineapples to the United States from Puerto Rico and Hawaii.					

Continued -

Table 16. Agricultural concessions involving dutiable products granted by the United States to the United Kingdom, Newfoundland, and the Crown Colonies, effective January 1, 1939, Continued

Description of commodity	Rate of duty		Ad-valorem equivalent of rate under agreement %	Value of 1937 imports	
	Before agreement	Under agreement %		Total	From the United Kingdom £/1,000 dollars
Pineapples, prepared or preserved, n.s.p.f. Over 95 percent of the canned pineapples consumed in the United States come from Hawaii.	2¢ per lb.	1.5¢ per lb.	Percent 35	1,000 dollars 503	C 272
Cut flowers, fresh, dried, prepared, or preserved. Imports are insignificant in relation to the total value of domestic production.	40%	25%	25	81	C 17
Orchid plants..... Mostly imported by private collectors who desire rare and expensive varieties. Commercial orchid nurseries may import not in excess of 400 plants annually.	25%	15%	15	124	78
Coconuts, in the shell..... British West Indies are principal source of imports.	0.5¢ each	0.25¢ each	15	773	C 463
Ryegrass seed..... Imports estimated to equal from 15 to 30 percent of domestic production, and have been about twice as high in price as the domestic seed in recent years.	3¢ per lb.	1.5¢ per lb.	30.5	92	55
Clover seed, n.s.p.f..... Imports now supply about 50 percent of domestic requirements, and are almost wholly from British countries.	3¢ per lb.	2¢ per lb.	22	5	3
Turnip seed..... Imports account for about one-half of domestic requirements; imported seed is higher priced than domestic.	4¢ per lb.	3¢ per lb.	36	74	42
Rutabaga seed..... Celery in its natural state when imported and entered for consumption during the period from April 15 to the following July 31, inclusive in any year. Imports are negligible in relation to domestic production.	4¢ per lb. 2¢ per lb.	3¢ per lb. 1¢ per lb.	27 9	5 1	2 C -
Mustard seed, whole..... Imports ordinarily exceed domestic production. The United Kingdom is the leading foreign supplier on the basis of value.	2¢ per lb.	1.75¢ per lb.	44	710	173

	70¢ per gal.	35¢ per gal.	11	19	3
Cherry juice, prune juice or wine, and all other fruit juices and sirups, n.s.p.f., containing less than one-half of 1 percent of alcohol. Imports are negligible in comparison with domestic production.					
Citrus-fruit juices, unconcentrated, containing less than one-half of 1 percent of alcohol:					
Lemon.....	70¢ per gal.	35¢ per gal.	128	0.2	0.1
Lime.....	70¢ per gal.	35¢ per gal.	110	10	C 6
Orange.....	70¢ per gal.	35¢ per gal.	h/	-	-
Other.....	70¢ per gal.	35¢ per gal.	16	0.3	0.2
Imports of lemon and orange juice have been negligible in recent years. There is little, if any, commercial production of lime juice in the United States.					
Lime juice, concentrated.....	70¢ per gal. on the quantity of unconcentrated natural juice contained therein, as shown by chemical analysis	35¢ per gal. on the quantity of unconcentrated natural juice contained therein, as shown by chemical analysis	h/	-	C -
Lemonade, soda water, and beverages containing no alcohol or less than one-half of 1 percent of alcohol. Imports amount to less than one-half of 1 percent of domestic production and are chiefly specialties having a higher unit value than comparable domestic beverages.	15¢ per gal.	10¢ per gal.	10	117	41

a/ When the rate in this column is the same as that shown in the preceding column, a binding of the rate against future increase is indicated.
b/ The ad-valorem equivalents of the rates established under the agreement are based on official statistics of total imports in 1937 (as shown), or are estimated on the basis of unpublished information.

c/ The Letters N and C are used to designate imports from Newfoundland and the Crown Colonies, respectively, and to indicate that the concession is made primarily in their behalf.

d/ Statistics are not separately reported.

e/ Where import-exercise or processing taxes apply in addition to the tariff rate, the taxes applicable are included in the computation of the ad-valorem equivalents.

f/ In the event that the United States shall cease to impose an internal tax with respect to palm-kernel oil, the provisions for the tariff treatment of such oil shall cease to be in effect, but no tariff rate in excess of 1 cent per pound shall be imposed on such oil.

g/ Statistics are not strictly comparable with the revised classification under the agreement.

h/ No statistical information available.

Concessions in Behalf of the British Colonial Empire

Most of the agricultural concessions granted the British Colonial Empire, particularly in point of value of the products involved, are in the nature of an assurance that the existing duty-free entry of such products into the United States will be continued during the period of the agreement. Moreover, these concession products are largely noncompetitive with agricultural production in the United States - and entirely noncompetitive for such commodities as rubber, tea, cacao beans, and various spices. Imports of rubber from the British Colonial Empire (chiefly British Malaya) in 1937 were valued at \$167,149,000; cacao beans (chiefly from the Gold Coast and Nigeria), at \$27,795,000; and tea (chiefly from Ceylon), at \$6,337,000.

Among other British colonial agricultural items bound on the United States free list are sisal, arrowroot (crude or manufactured), copra, palm nuts and palm-nut kernels, and certain essential and distilled oils. See tables 15 and 16.

Barbados-type molasses is one of the comparatively few British Colonial products on which duty reductions are made. The reduction of one-third from the pre-agreement rate of about 6 cents per gallon on molasses and sugar sirups produced in the Barbados and other British West Indies is limited to imports of 1.5 million gallons per year, representing about 3.5 percent of domestic United States production. (Additional imports, if any, will pay the rates of duty in effect before the agreement.) The customs specification for the duty reduction on the import quota of 1.5 million gallons annually, reads: "Molasses and sugar sirup, n.s.p.f., which contain soluble nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 per centum of the total soluble solids." The Barbados-type molasses has a certain characteristic flavor not duplicated in the United States, which gives it a special market and makes it largely noncompetitive with domestic production. It is also used to a considerable extent for blending purposes and customarily sells at a higher price than molasses produced in the United States.

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AGRICULTURE IN THE NEW CANADIAN TRADE AGREEMENT. . . .

By John L. Stewart*

The new trade agreement between the United States and Canada represents an expansion of the first agreement made 3 years ago. The two agreements are the first successful attempts at closer trade relations between the two countries since the abrogation in 1866 of the treaty of commercial reciprocity of 1854. Since the World War, Canada has been the largest single source of United States imports. Canada has also been the second largest market for American exports, chiefly industrial, except in 1929 when it ranked first. In the new agreement, Canada again grants substantial concessions on agricultural products. The American farmer, however, also stands to obtain important, though indirect, benefits from the extensive concessions granted by Canada on American industrial products. Further reductions are made by the United States in duties on Canadian agricultural products, but these reductions are, where necessary, safeguarded by quota limitations. The new agreement represents a further substantial modification of the British Empire preferential-tariff system.

The new trade agreement with Canada, effective January 1, 1939, covers the great bulk of a trade that in 1937 was valued at \$886,000,000. In the period 1927-1931, the same trade had an average annual value of \$1,137,000,000. In recent years, Canada has followed the United Kingdom closely as a purchaser of United States exports, taking about one-seventh of the total. On the other hand, Canada is by far the chief source of imports into the United States. In 1937, after several years of a steady upward trend, total United States exports to Canada, chiefly industrial products, were worth \$492,000,000. The 1937 imports from Canada, principally products of farms, forests, mines, and fisheries, reached a value of \$394,000,000.

Benefits to be derived from the agreement by American agriculture are closely associated with the concessions granted on American industrial products, as well as with the very material direct concessions granted by Canada on agricultural items. Of the total United States exports to Canada in 1937, about 86 percent were nonagricultural and about 14 percent were agricultural. An even smaller proportion was agricultural if due account is taken of transshipments to third countries through Canadian ports. The industrial development of Canada is still below the point of filling a large part of the national requirements; consequently, even under conditions that were still somewhat restrictive, exports to Canada of American nonagricultural products in 1937 were valued at about \$426,000,000.

*Agricultural Economist, Foreign Agricultural Service.

Canada is the leading export market for United States nonagricultural products. In 1937 the nonagricultural exports to Canada represented over one-sixth of total United States exports of such products to all countries (see table 2). It would seem, therefore, that any steps that result in broadening the Canadian market cannot fail to have a favorable reaction upon the numerous American industries selling goods in that market. The close correlation between farm income and factory payrolls is a well-known fact. To the extent, therefore, that a broader outlet for industrial products in Canada contributes to the payrolls of United States industrial workers, an indirect contribution is also made to the domestic demand for agricultural products. Meat, dairy products, and fruit are some of the commodities most sensitive to changes in consumer demand. Such groups include many more agricultural items than Canada is in a position to assist through improved tariff treatment.

The greater part of the compensation to Canada for that country's concessions to the United States is covered by the United States commitment to place no duty on most of the Canadian exports now on the American free list. Those items represented about half of United States imports from Canada in 1937 and were chiefly newsprint paper, wood pulp, pulpwood, and other forest products. Of the dutiable items upon which the United States grants concessions to Canada, either by binding existing rates or by making reductions in duties, the agricultural group represented about 50 percent of 1937 imports. In that year, agricultural imports were unusually large, as a result of short supplies and high United States prices incident to the droughts of 1934 and 1936. In 1937, imports of agricultural concession items from Canada were about equal in value to the United States agricultural exports upon which Canada granted concessions, including those upon which Canadian duties were reduced by most-favored-nation action in 1936. In most years, the United States exports of agricultural concession items are larger in value than the agricultural concession products imported from Canada.

The distribution of United States concessions to Canada suggests that American agriculture is not burdened with a disproportionate share of the total import trade involved in the agreement. It is apparent that, in view of the prominent position of agriculture in the Canadian economy, that country would not grant such extensive direct and indirect benefits to United States agriculture without securing compensation for Canadian agriculture. In most cases, United States production of concession items is considerably larger than Canadian production, and the contribution made by Canada to total United States supplies is not large enough to be a factor having a measurable effect upon the national level of prices paid to American producers. From the Canadian viewpoint, however, the United States concessions are of considerable value, since for many items the exports from Canada represent a significant share of the smaller Canadian total production of such items.

TARIFF AND TRADE BACKGROUND

Prior to 1929, trade between the United States and Canada, chiefly in nonagricultural products, was on an ascending scale. While import duties imposed by both countries were fairly high, trade had become adjusted to them. In 1930 and 1931, both countries revised their tariff schedules upward, chiefly in an effort to offset the decline in commodity prices that accompanied the beginning of the depression period. Developments in the next few years demonstrated that the upward tariff revisions failed to prevent sharp declines in prices of the commodities to which they were applied. But the higher duties were instrumental in reducing both the volume and the value of the trade between the two countries.

The United States made most of its upward revisions in the Tariff Act of 1930, which became effective on June 18 of that year. In Canada, there were two minor

revisions in 1930 (May 2 and September 17). The general upward revision of Canadian import duties came on June 2, 1931. In August 1932, the Ottawa Agreements became effective, implementing a greatly extended system of preferential-tariff treatment among the British Empire countries. The Ottawa Agreements placed the United States at a decided disadvantage in the Canadian market. United States manufactures were forced to meet preferential competition from British goods, as well as from goods made in Canada under the protective level of the duties established in 1931. Many American agricultural products were also placed at a serious disadvantage with respect to similar products reaching Canada from the other self-governing Dominions and from British colonies.

The 1936 trade agreement marked the first attempt of the United States and Canada to remove some of the hindrances to trade erected in 1930-1932. General recovery from depression conditions was well under way by January 1936, and trade between the two countries had been on the uptrend for at least 2 years. Trade continued to expand after the 1936 agreement. Improved economic conditions in both countries were an important factor in the general upward trade movement, and drought was a large factor in creating an unusual demand in the United States for Canadian agricultural products.

Compared with the 1938 trade agreement, that of 1936 was a decidedly limited undertaking on both sides. For instance, none of the concessions made by Canada affected the preferential position of British supplies in the Canadian market. The fact that United States-Canadian trade in 1936 and 1937 expanded faster than United States trade with nonagreement countries indicates, however, that the lower duties following the 1936 agreement partially accounted for the larger United States-Canadian trade, particularly with respect to American exports to Canada.

Table 1. United States imports from Canada compared with total imports, 1937, with comparisons

Year	All commodities		Total competitive agricultural products ^{a/}	Agricultural products from Canada ^{b/}
	Total	From Canada		
	Million dollars	Million dollars	Million dollars	Million dollars
Average:				
1909-10 to 1913-14 ^{c/}	1,688.9	117.2	-	-
1922-1926	3,834.5	421.8	-	-
1927-1931	3,565.4	427.3	721.5	57.8
Annual:				
1932	1,322.8	174.1	296.0	14.5
1933	1,449.6	185.4	365.5	21.9
1934	1,636.0	227.2	412.8	36.3
1935	2,083.9	286.1	588.5	64.2
1936	2,424.0	377.6	645.0	102.2
1937	3,009.9	394.2	868.2	77.8

^{a/} Important items in this group of which little or none is exported from Canada are wool, sugar, hides, and skins.

^{b/} May contain small amounts of noncompetitive products originating in other countries.

^{c/} Years ended June 30.

Compiled from *Foreign Commerce and Navigation of the United States* and *Monthly Summary of Foreign Commerce of the United States*.

Table 2. United States exports to Canada compared with total exports,
1937, with comparisons

Year	All commodities		Nonagricultural		Agricultural	
	Total	To Canada	Total	To Canada	Total	To Canada ^{a/}
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Average:						
1909-10 to 1913-14 ^{b/} ..	2,130.4	300.2	1,094.4	250.1	1,036.0	50.1
1922-1926.....	4,376.8	610.8	2,423.7	455.8	1,953.1	155.0
1927-1931.....	4,221.0	709.4	2,728.5	569.8	1,492.5	139.6
Annual:						
1932.....	1,576.2	228.4	913.9	193.6	662.3	34.8
1933.....	1,647.2	197.9	952.8	164.6	694.4	33.3
1934.....	2,100.1	286.5	1,363.7	242.7	733.6	43.8
1935.....	2,243.1	308.2	1,496.1	264.4	747.0	43.8
1936.....	2,419.0	368.9	1,709.5	316.6	709.5	52.3
1937.....	3,299.0	491.5	2,501.5	425.7	797.5	65.8

^{a/} Figures include exports to Canada in transit to other countries.

^{b/} Years ended June 30.

Compiled from *Foreign Commerce and Navigation of the United States* and *Monthly Summary of Foreign Commerce of the United States*.

CONCESSIONS OBTAINED BY THE UNITED STATES

Under the new agreement, a commitment is given by Canada to remove the special excise tax of 3 percent on the duty-paid value of all items on which Canada grants other concessions to the United States. This commitment removes the tax on items bound on the Canadian free list, such as raw cotton, as well as on items upon which existing duties are bound or reduced, and is a major concession on the part of Canada.

In recent years, freedom from the excise tax has constituted an additional form of the preferential treatment enjoyed in Canadian markets by goods of British Empire origin. Originally the tax applied to both Empire and non-Empire goods. In April 1934, it was reduced to 1.5 percent on Empire goods and removed entirely in March 1935, thereby increasing the Empire margins of preference. There is no specific commitment to remove the excise tax from those items upon which duties are reduced to the United States by virtue of most-favored-nation treatment but which are not bound at the lower levels in Schedule I of the agreement.

The aggregate 1937 value of nonagricultural imports from the United States on which Canada grants concessions other than the removal of the excise tax was about \$311,000,000. This includes all definite commitments made in Schedule I, as well as the continuation of most-favored-nation rates on items not in Schedule I. Of the figure cited, about \$223,000,000 represents nonagricultural items upon which Canadian duties are reduced as compared with those in effect in 1935. Important items in this group are numerous heavy iron and steel products; a large group of machinery items; aircraft and engines; a number of important textiles and manufactures of cotton, silk, and rayon; fishery products; paper products; certain wood manufactures; and two large groups of chemical products. This partial list indicates the wide variety of United States products, other than agricultural commodities, for which there is an improved outlet in Canada. In addition, the Canadian duties on the important item of automobiles are bound against increase.

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In the agricultural group, the new agreement covers items imported into Canada from the United States in 1937 to the value of \$43,000,000, upon which reductions in Canadian duties or binding of present treatment are secured. These are the agricultural items included in Schedule I of the new agreement. Duty reductions are secured on items representing about half of the total value of the trade affected by concessions. The binding of cotton on the Canadian free list accounts for most of the other half of the total value of concessions. Removal of the 3-percent special excise tax constitutes a considerable additional concession on cotton, as well as on the items for which more favorable tariff treatment is received.

Fresh Fruits and Vegetables

Imports of United States fresh fruits and vegetables into Canada upon which lower import charges are secured by the agreement were worth \$14,500,000 in 1937. That figure represents 80 percent of the total value of all agricultural items upon which reductions in Canadian duties are made, aside from the general removal of the 3-percent special excise tax from all items in Schedule I.

Canadian concessions covering fresh fruits and vegetables are of three types: (1) reductions in rates of duty; (2) reductions in amount of advanced valuations for calculating special duties, which, in most cases, are applicable only in the seasons when Canadian fruits and vegetables are being marketed; and (3) limiting and shortening of seasons in which advanced valuations may be applied. See tables 3 and 4 for schedules of advanced valuations and periods of application.

The new agreement establishes a basic import duty of 10 percent ad valorem for all but a few of the fresh fruit and vegetable items. This rate compares with 15 percent in the 1936 agreement and with 30 percent and 20 percent for most vegetables and fruits, respectively, prior to the first agreement. Before January 1, 1936, many items were subject to seasonal or regular minimum specific duties. Under the new agreement, very few items are subject to minimum specific duties.

Among the items subject to advanced valuations, there are several fruits (apricots, peaches, pears, plums, and fresh prunes) to which the new 10-percent duty applies only seasonally, the 15-percent rates applying for the balance of the year. This qualification results from commitments made by Canada in 1932 in favor of those fruits coming from other British Empire countries. The 10-percent seasons, however, cover the greater part of the movement of those fruits from United States producing regions.

The lower ad-valorem duties on fresh fruits and vegetables constitute an important element in the lower total in-season charges resulting from applying advanced valuations. Removal of the 3-percent excise tax also contributes to the lower total charges. For vegetables, the percentage reductions in the new agreement below pre-1936 total charges range chiefly from 45 to 68 percent, with some reductions running as high as 90 percent. For fruits, the new total charges represent reductions of less than 50 percent below the 1935 charges for all but one commodity.

Pears constitute the chief item among the fruits subject to advanced valuations, with Canadian imports in 1937 valued at nearly \$500,000. Under the new agreement, total in-season charges on pears will amount to 1.4 cents per pound against 2.2 cents in 1935, assuming in each case an invoice value for pears entering Canada of 2.5 cents per pound. This assumed invoice value may or may not compare closely with actual invoice values. An assumed figure, however, must be used in order to secure a comparable basis for measuring the effect of changes in duties and other charges resulting from the agreement. The computation of total in-season charges for pears before the first agreement and under the new agreement is shown on page 588.

	Prior to first agreement	Under new agreement
<u>Computation of duty</u>		
Assumed invoice value per pound.....	2.50¢	2.50¢
Advanced valuation per pound.....	1.25¢	1.00¢
Value for duty per pound.....	3.75¢	3.50¢
Ad-valorem duty.....	20%	10%
Basic duty per pound.....	.75¢	.35%
Seasonal extra duty per pound.....	1.25¢	1.00¢
Total duty per pound.....	2.00¢	1.35¢
<u>Computation of special excise tax</u>		
Value for duty per pound.....	3.75¢	-
Basic duty per pound.....	.75¢	-
Seasonal extra duty per pound.....	1.25¢	-
Duty-paid value per pound.....	5.75¢	-
Special excise tax.....	3%	-
Tax on duty-paid value per pound.....	.1725¢	-
<u>Computation of total in-season charge</u>		
Basic duty per pound.....	.75¢	-
Seasonal extra duty per pound.....	1.25¢	-
Tax on duty-paid value per pound.....	.1725¢	-
Total in-season charge per pound.....	2.2¢	1.4¢

In connection with the foregoing example, it should be noted that an advanced valuation is applicable only during the protected season; otherwise, the "value for duty" is simply the invoice value of the goods. Furthermore, the use of the whole advanced valuation as a seasonal extra duty is possible only when that advanced valuation is no larger in amount than the invoice value. If it exceeds the invoice value, as it does in numerous cases, then only half of the "value for duty" item may be used as a seasonal extra duty. Final figures for total in-season charges have been rounded to agree with the figures in table 3.

Use of the advanced-valuation device results in a substantial increase in protection for the Canadian fruits and vegetables to which it applies, even under the lower scale of charges provided for in the new agreement. On pears invoiced at 2.5 cents per pound, as in the foregoing example, the new 10-percent ad-valorem duty alone represents a moderate charge on the goods. Use of an advanced valuation on the same invoice value, however, results in a total in-season charge equivalent to 56 percent of the invoice value. The new scale of charges, however, constitutes a material change from that prevailing prior to the 1936 agreement. In 1935 the total charges resulting from the 20-percent ad-valorem duty, a higher advanced valuation, and the 3-percent special excise tax represented 84 percent of the 2.5-cent invoice value. Canada regards the seasonal nature of the competition in perishable fresh fruits and vegetables as rendering especially difficult the working out of satisfactory tariff treatment. The agreement makes provision for protecting American interests should Canada decide to try some protective system other than advanced valuations.

The new agreement introduces into the valuation system the first effort to limit formally the length of time such valuations may be applied in any one season. Variations in growing conditions preclude the naming of the opening date for any valuations, but once the valuation is applied the maximum duration becomes known. In most instances, the valuation periods agreed upon are shorter, particularly with

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respect to vegetables, than the average length of such periods in recent years. For certain items regarded by Canada as presenting particularly difficult problems of seasonal protection, the agreement admits of unlimited valuation periods. These items are onions, fresh mushrooms, rhubarb, apricots, and apples. On three vegetables (cabbage, carrots, and beets) provision is made for applying in two sections the valuation periods of 26 weeks, compared with periods that heretofore ran from 33 to 35 weeks.

Other important fresh-fruit concessions are those involving grapes and citrus fruit. Canada imported fresh grapes from the United States with a value of nearly \$1,000,000 in 1937. Under the new agreement, the Canadian duty on fresh grapes is 1 cent per pound for the period July-January, a period that largely covers the movement of American grapes to Canada. In the February-June period, owing to Canadian commitments to other Empire countries, the duty on grapes remains 1.5 cents, the year-round rate under the 1936 agreement. Prior to that agreement, the duty was 2 cents per pound.

The new agreement names the period December-April for free entry into Canada of American oranges. The former free-entry period was January-April. In the dutiable period, the rate remains bound at 35 cents per cubic foot. If the necessary adjustments can be made with other British countries, Canada will lengthen the free-entry period to cover the months January-July. Orange imports in 1937 were worth \$6,800,000. Removal of the 3-percent excise tax from oranges constitutes a material concession, as it does also for grapefruit, on which the duty of one-half cent per pound remains bound. The grapefruit trade was worth over \$1,000,000 in 1937. The million-dollar trade in lemons remains bound free of duty and is also free of the excise tax.

Among the fresh vegetables not subject to advanced valuations, the leading item is tomatoes. The 1937 imports into Canada from the United States were valued at more than \$700,000 against less than \$300,000 in 1935. The new duty on tomatoes is 10 percent but not less than 1.5 cents per pound, compared with 15 percent or 2 cents per pound in the first agreement. The preagreement rate was 30 percent or 2 cents, with a seasonal advanced valuation of 3 cents per pound.

The Canadian concession on white potatoes removes all duties from that item for most of the year, or from August 1 to June 15. The duty established for the remaining 6 weeks is 37.5 cents per 100 pounds, the same as the duty rate contained in the United States concessions to Canada on potatoes. This item is one of those upon which Canada's policy has been to maintain duties equal to those applied by the United States on like products. The free-duty period covers a considerable part of the period in which United States early potatoes are moving to market. In earlier years, when Canadian duties were low, Canadian imports of United States potatoes were valued up to \$1,000,000 annually. The 1937 imports were worth \$202,000. Canada continues sweet potatoes on the free list.

Dried and Canned Fruits and Vegetables

The binding of existing duties accounts for most of the concessions obtained by the United States on imports into Canada of dried and canned fruits and vegetables, worth \$1,500,000 in 1937. Most of that trade was accounted for by dried prunes and dried apricots, nectarines, pears, and peaches, on which the present duties of 1 cent per pound on prunes and 22.5 percent ad valorem on the others are bound. Reductions in these rates are prevented by Canadian commitments to other Empire countries. Similar commitments prevent any reduction in the high Canadian duty on raisins, an item of which sales to Canada have been hindered materially by Empire preference.

Table 3. Canadian advanced valuations on fresh fruit, total in-season charges, and seasons of application in effect in 1935, in 1936 agreement, and provided for in new agreement

Description of commodity	Advanced valuation per pound			Total in-season charge per pound ^{a/}			In-season period		Percent reduction in in-season charges new rate represents from
	1935	1938	New rate	1935, including 3-percent tax ^{b/}	1938, including 3-percent tax	New charge	Average number of weeks 1933-1937	New period of weeks	
							Cents	Cents	Cents
Apricots.....	2.0	1.6	1.5	3.4	2.6	£/ 2.0	d/ 5	e/ 40	22
Cherries.....	5.0	4.0	3.0	7.8	6.0	4.0	f/ 8	49	34
Peaches.....	1.75	1.4	1.4	2.7	2.1	£/ 1.8	10	34	15
Pears.....	1.25	1.0	1.0	2.2	1.7	£/ 1.4	22	37	18
Plums.....	1.25	1.0	1.0	1.8	1.4	£/ 1.2	11	34	13
Prunes.....	1.25	1.0	1.0	1.8	1.4	£/ 1.2	9	34	13
Strawberries.....	2.0	1.6	1.6	3.9	3.0	2.4	8	39	21
Raspberries and loganberries....	3.0	2.4	2.0	5.5	4.2	2.9	8	46	30
Apples.....	1.0	0.8	0.8	1.8	1.4	g/ 1.3	52	29	8
Cantaloupes and muskmelons.....	4.0	h/ 3.2 (2.0)	1.25	4.9	2.9	1.6	9	67	43

a/ In calculating the in-season charges, an arbitrary figure representing an invoice value per pound has been assigned to each item. These values are constant for the calculations in each column. To these values, advanced by the amounts shown under the heading "advanced valuation per pound," the following ad-valorem duty rates have been applied, except as otherwise noted: 1935, 20 percent; 1938, 15 percent; new charge, 10 percent. The 1935 and 1938 calculations also include the special excise tax of 3 percent, applied to the duty-paid value. This 3-percent tax is not included in the new charge.

b/ Items in this column were subject to the minimum specific duties shown in table 5.

c/ The new 10-percent ad-valorem duty is guaranteed during the periods shown in table 5. During the remaining parts of the year the 15-percent duty will apply because of commitments by Canada in favor of Australia and/or the Union of South Africa.

d/ 6 weeks in 1938.

e/ Unlimited.

f/ 10 weeks in 1938.

g/ Duty is 15-percent ad valorem.

h/ Figure in parentheses represents effective 1938 rate resulting from voluntary Canadian reductions from 1936 agreement rates.

Table 4. Canadian advanced valuations on fresh vegetables, total in-season charges, and seasons of application in effect in 1935, in 1936 agreement, and provided for in new agreement

Description of commodity	Advanced valuation per pound		Total in-season charge per pound ^{a/}			In-season period		Percent reduction in in-season charges new rate represents from
	1935	1938 b/	1935, including 3-percent tax	1938, including 3-percent tax	New charge	Average number of weeks 1933-1937	New period of weeks	
	Cents	Cents	Cents	Cents	Cents	Number	Number	
Onions, n.o.p. (other than onion sets and shallots).....	0.75	0.6	£/ 1.4	d/ 1.1	d/ 0.9	43	£/ 30	17
Mushrooms, fresh.....	5.0	4.0	£/ 15.2	£/ 9.4	£/ 4.7	52	£/ 69	50
Asparagus.....	5.5	4.4	£/ 9.4	£/ 6.3	£/ 5.0	8	£/ 47	21
Beans, green.....	2.5	2.0	£/ 4.4	£/ 2.9	£/ 1.9	16	£/ 55	33
Brussels sprouts.....	1.0	n.v.	£/ 2.0	£/ 0.4	£/ 0.2	29	£/ 90	46
Cabbage.....	2.5	2.0 (1.0)	£/ 3.0	£/ 1.4	£/ 0.9	35	£/ 67	29
Carrots.....	2.5	2.0 (1.5)	£/ 3.2	£/ 1.9	£/ 1.0	33	£/ 68	47
Beets, n.o.p.....	2.0	1.6 (1.0)	£/ 2.7	£/ 1.4	£/ 1.2	33	£/ 54	14
Cauliflower.....	4.0	3.2 (2.0)	£/ 4.8	£/ 2.6	£/ 1.8	23	£/ 62	30
Celery.....	1.0	0.8	£/ 1.9	£/ 1.3	£/ 1.1	31	£/ 46	7
Cucumbers.....	3.5	2.8	£/ 4.9	£/ 3.6	£/ 2.4	21	£/ 50	31
Lettuce.....	1.0	0.8	£/ 1.9	£/ 1.3	£/ 1.1	22	£/ 45	13
Peas, green.....	2.5	2.0	£/ 4.7	£/ 3.2	£/ 2.6	17	£/ 45	17
Rhubarb.....	2.0	1.6	£/ 2.7	£/ 1.9	£/ 1.2	52	£/ 55	38
Spinach.....	1.25	1.0	£/ 2.2	£/ 1.5	£/ 0.2	26	£/ 92	89
Tomatoes.....	3.0	n.v.	£/ 5.2	£/ 2.2	£/ 1.5	23	£/ 57	30

a/ In calculating the in-season charges, an arbitrary figure representing an invoice value per pound has been assigned to each item. These values are constant for the calculations in each column. To these values, advanced by the amounts shown under the heading "advanced valuation per pound," the following ad-valorem duty rates have been applied, except as otherwise noted: 1935, 30 percent; 1938, 15 percent; new charge, 10 percent. The 1935 and 1938 calculations also include the special excise tax of 3 percent, applied to the duty-paid value. This 3-percent tax is not included in the new charges.

b/ Figures in parentheses represent effective 1938 rates resulting from voluntary Canadian reductions from 1936 agreement rates; "n.v." means "no valuation."

c/ Subject to the minimum specific duties shown in table 5.

d/ Duty is 30 percent ad valorem.

e/ Unlimited.

f/ 11 weeks in 1938.

g/ Exempt under 1936 agreement.

h/ May be divided into two periods having a combined duration not to exceed the number of weeks shown.

i/ Duty is 10 percent ad valorem, but not less than 1.5 cents per pound (bound against valuation).

Among the canned fruits, Canada grants a 25-percent reduction to 3 cents per pound on pineapples, the leading item, and also on apricots, pears, and unspecified canned fruits. The new rate on canned peaches is 3.5 cents. Prior to 1936, all of these items paid 5 cents per pound. Reductions of 25 percent from 1936 rates to 1.5 cents per pound are also obtained for canned beans, corn, and peas, all of which paid 3 cents in 1935. The 30-percent ad-valorem rate of that year on unspecified canned vegetables now stands at 20 percent.

There has been a tendency toward larger Canadian imports of most of the foregoing dried and canned items since 1935. On most of the fruit items, Canada has engaged to maintain preferential treatment of the products of other British Empire countries, particularly Australia. Recent larger Canadian purchases in the United States, however, suggest that lower duties would be followed by a larger volume of business.

Livestock and Products

The new agreement secures for the United States lower duties on live hogs and on meat, chiefly pork, with a 1937 Canadian import value of \$336,000. Rates on these items were lowered in 1936 by most-favored-nation action, but most of them were not bound at the lower level. The 1937 imports of cured pork, the chief item in this group, were larger than in 1935 but much smaller than in earlier years. Increased Canadian duties in 1931 and high United States prices for meat, resulting largely from the droughts of 1934 and 1936, reduced materially the United States movement of pork to Canada. As production in the United States increases, however, the lower scale of Canadian duties should encourage a larger movement of United States pork to that country. The 1929 Canadian imports of cured pork were valued at \$2,500,000.

The 1936 rate of 1.75 cents per pound on bacon, hams, shoulders, and other cured pork is bound by the new agreement. The 1935 rate was 5 cents for both cured and fresh pork. The new rate on fresh pork is 1.25 cents, while live hogs now pay 1 cent against 3 cents in 1935. On fresh pork and live hogs, the Canadian rates are the same as those provided for in the United States concessions to Canada.

Poultry and Eggs

The new Canadian duty on live or dressed poultry is 15 percent ad valorem. In 1935 the duty was 20 percent and was reduced to 17.5 percent in the 1936 agreement. Reduction in the duty was followed by slightly larger imports of United States poultry, all dressed. The predominant trend of the poultry trade is toward the United States from Canada, chiefly in live chickens.

Definite commitments on eggs in the shell appear in the new agreement for the first time on either side. The Canadian reduction to 5 cents per dozen on eggs from the former 10-cent rate is matched by a similar United States concession, specifying eggs of chickens. During the first few months of 1936, a 5-cent rate applied to United States eggs entering Canada by virtue of most-favored-nation treatment. The United States rate, however, stayed at 10 cents; consequently, since the Canadian 5-cent rate was not bound against increase, the Canadian 10-cent duty was restored. During the time the 5-cent rate was in effect, Canadian imports of United States eggs increased sharply. As a rule, more shell eggs move from the United States to Canada than in the opposite direction. In 1929, under a 3-cent duty, Canada imported United States eggs to the value of \$231,000. The 1937 value was \$12,000.

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Grains and Grain Products

Of the three feed grains (barley, oats, and corn) upon which Canadian duties are reduced in the new agreement, corn is the only one for which Canada has consistent import requirements of significant size. Prior to the institution of Empire preference, corn entered Canada duty-free, and the United States was the principal source. More recently, Canada applied a duty of 25 cents per bushel on "corn, n.o.p." (used chiefly for feed, but not so specified). Corn for use in making starch and certain other products is admitted free, while corn used in distilling continues dutiable at 7.5 cents per bushel.

From 1935 to late 1937, the United States price of corn was so high as to nullify the favorable effects of a reduction to 20 cents on "corn, n.o.p." in the 1936 agreement. South Africa (whose corn enters Canada duty-free) and Argentina alternated in supplying most of the 1935-1937 Canadian imports of corn, which reached a value of nearly \$9,000,000 in 1937.

For the first 6 months of 1938, Canada imported nearly three times as much "corn, n.o.p." (to the value of \$258,000) from the United States as in the first half of 1937. The new agreement reduces the duty on "corn, n.o.p." to 10 cents per bushel. With normal United States production, the new Canadian rate should improve materially the competitive position of United States corn in Canada.

The Canadian concession on cleaned rice also represents a duty reduction of some consequence. For a considerable period, Canada has protected a small rice-milling industry (duty in 1929, 75 cents per 100 pounds; in 1935, \$1.00 on United States rice; 50 cents in both years on Empire rice). The United States and Hong Kong divided fairly evenly a trade worth \$660,000 in 1929. In 1936 the duty on United States rice was lowered to 72 cents per 100 pounds, and imports increased substantially over 1935 figures. The United States has maintained a good share of the Canadian market for cleaned rice even at high duty rates. The new agreement reduces the duty to 70 cents and removes the special 3-percent excise tax. Canadian imports of American cleaned rice in the first 6 months of 1938, at \$219,000, were almost three times as large as in the first half of 1937.

Rough rice continues to enter Canada duty-free from all sources, but this item is not bound free in the new agreement. Imports in recent years have run over \$1,000,000 annually, with British India first and Japan second. The United States was third, supplying quantities valued between \$100,000 and \$200,000 annually. Canada has an agreement with Australia to the effect that, when the latter country can supply all Canadian requirements for rough rice, imports from all other countries shall pay 25 cents per pound. The relatively small Australian rice industry suggests that it will be many years before this provision is made operative.

Other Agricultural Concessions

The new agreement obtains lower Canadian duties for American garden and field seeds, the 1937 imports of which were worth \$156,000. Vegetable seeds are the chief beneficiaries of these concessions. Other agricultural duties reduced by Canada apply to cut flowers (there is a reciprocal United States concession on that item); fruit and vegetable juices, sirup, and sauces; and honey. Bindings of present rates are secured for nut trees, ripe olives, unshelled nuts, and shelled nuts other than almonds, peanuts, and walnuts.

Table 5. Agricultural concessions granted by Canada to the United States, in Schedule I, effective January 1, 1939

Description of commodity	Rate of duty			Jan. 1, 1939	Imports from United States		
	Basis	Before Jan. 1, 1936	Before Jan. 1, 1939		1935	1936	1937
						1,000 dollars	1,000 dollars
Hogs, live.....	Lb.	3¢	1.25¢	1¢	0	0	0
Meats, fresh, n.o.p.:.....							
Edible offal of beef.....	Lb.	8¢	6¢	4¢	a/	a/	a/
Pork.....	Lb.	5¢	2.5¢	1.25¢	b/	1	2
Poultry and game, n.o.p.....	Ad val.	20%	17.5%	15%	22	16	31
Meats, prepared or preserved, other than canned:							
Racon, hams, shoulders, and other pork.....	Lb.	5¢	1.75¢	1.75¢	50	293	266
N.o.p.....	Lb.	6¢	3¢	3¢	31	25	26
Eggs in shell.....	Doz.	10¢	10¢	5¢	11	36	12
Lima beans, dried.....	Lb.	2¢	1.5¢	1¢	a/	a/	a/
Soybeans, n.o.p.....	Lb.	2¢	Free	Free	b/	24	9
Barley, n.o.p.....	Ru.	25¢	22.5¢	15¢	78	102	98
Corn, n.o.p.....	Ru.	25¢	20¢	10¢	1	97	1,896
Oats.....	Ru.	16¢	9¢	8¢	14	12	8
Oatmeal and rolled oats.....	100 lb.	80¢	50¢	50¢	83	152	137
Rice, cleaned.....	100 lb.	\$1.00	72¢	70¢			
Seeds:							
Timothy.....	Lb.	2¢	1¢	1¢	9	80	27
Broomcorn.....	Ad val.	15%	Free	Free	a/	a/	a/
Parsley and parsnip.....	Lb.	5¢	4.5¢	2¢	)	)	)
Beets, garden.....	Lb.	5¢	4.5¢	3¢	15	15	12
Mangel and turnip.....	Lb.	5¢	4.5¢	4¢	)	)	)
Radish, leek, lettuce, carrot, borecole, and kale..	Lb.	10¢	9¢	3¢	)	)	)
Cabbage and cucumber.....	Lb.	10¢	9¢	5¢	37	50	44
Tomato and pepper.....	Lb.	25¢	22.5¢	10¢	)	)	)
Cauliflower.....	Lb.	25¢	22.5¢	15¢	40	54	38
Onion.....	Lb.	25¢	22.5¢	20¢	)	)	)
Unspecified root, garden, and other:							
In packages over 1 pound.....	Lb.	10¢	9¢	5¢	21	25	22
In packages 1 pound or less.....	Ad val.	35%	27%	25%	10	12	12
Cut flowers and foliage.....	Ad val.	40%	40%	25%	54	100	97
Nut trees, including grafting stock.....	Ad val.	30%	Free	Free	a/	a/	a/

Potatoes, white:

August 1-June 15.....	100 lb.	75¢	Free	)	139	)	285	)	202
June 16-July 31.....	100 lb.	75¢	37.5¢	)	105	)	133	)	144
Potatoes, sweet.....	100 lb.	15¢	Free	)		)		)	

Vegetables, fresh: c/

Onion sets and green onions.....	Ad val.	4/30%	30%	a/		a/		a/	
Eggplant.....	Ad val.	4/30%	Free	l/		l/		l/	
Parsley.....	Ad val.	30%	10%	l/		l/		l/	
Water cress.....	Ad val.	30%	10%	l/		l/		l/	
Witloof or endive.....	Ad val.	30%	Free	l/		l/		l/	
Peppers, green.....	Ad val.	30%	10%	l/		l/		l/	
Radishes.....	Ad val.	30%	10%	l/		l/		l/	
Artichokes.....	Ad val.	30%	Free	l/		l/		l/	
Horseradish.....	Ad val.	30%	Free	l/		l/		l/	
Okra.....	Ad val.	30%	Free	l/		l/		l/	
N.o.p.....	Ad val.	30%	10%	l/	517	l/	334	l/	239

Vegetables, canned:

Beans, baked.....	Lb.	3¢	2¢	1.5¢	6	18	13
Corn.....	Lb.	3¢	2¢	1.5¢	2	3	3
Peas.....	Lb.	3¢	2¢	1.5¢	b/	b/	1
N.o.p.....	Ad val.	30%	27.5¢	20%	57	57	63
Vegetables, dried, including flour, n.o.p.....	Ad val.	30%	27.5¢	22.5¢	4	35	55
Vegetable juices and sauces.....	Ad val.	35%	32.5¢	27.5¢	27	36	25

Fruits, fresh: k/

Cranberries.....	Ad val.	4/20%	1/ 15%	1/ 10%	157	167	155
Berries, n.o.p.....	Ad val.	1/20%	15%	10%	a/	a/	a/
Quinces.....	Ad val.	k/20%	15%	1/ 10%	a/	a/	a/
Nectarines.....	Ad val.	k/20%	15%	1/ 10%	a/	a/	a/
Grapes.....	Lb.	2¢	1.5¢	1¢	627	903	995
Melons, n.o.p.....	Each	3¢	2.5¢	2¢	155	188	148
Fruits, fresh, n.o.p.....	Ad val.	20%	15%	10%	10	17	21
Avocados.....	Ad val.	20%	Free	Free	a/	a/	a/
Grapefruit.....	Lb.	1¢	0.5¢	0.5¢	776	1,054	1,310
Oranges w/.....	Cu. ft.	35¢	35¢	35¢	5,041	5,950	6,834

Lemons.....

Lemons.....	-	Free	Free	Free	1,034	1,437	1,064
Olives, ripe, in brine.....	Ad val.	30%	10%	10%	36	67	47

Fruits, canned:

Peaches.....	Lb.	5¢	4¢	3.5¢	)	)	)
Apricots.....	Lb.	5¢	4¢	3¢	)	)	)
Pears.....	Lb.	5¢	4¢	3¢	)	)	)
Pineapples.....	Lb.	5¢	4¢	3¢	)	)	)
N.o.p.....	Lb.	5¢	4¢	3¢	13	50	30
	Lb.	5¢	4¢	3¢	47	58	72

Continued -

Foreign Agriculture

Table 5. Agricultural concessions granted by Canada to the United States, in Schedule I, effective January 1, 1939 - Continued

Description of commodity	Rate of duty			Imports from United States		
	Basis	Before Jan. 1, 1936	Before Jan. 1, 1939	Jan. 1, 1939	1935	1936 1937
Fruits, dried:					1,000 dollars	1,000 dollars
Prunes.....	Lb.	1¢	1¢	1¢	856	786 846
Dates, unpitted, bulk.....	Lb.	2/3¢	3/5¢	0.5¢	9	16 25
Figs.....	Lb.	2/3¢	3/5¢	0.5¢	40	32 40
Apricots.....	Ad val.	25%	22.5%	22.5%	)	) 190
Nectarines.....	Ad val.	25%	22.5%	22.5%	101	137
Pears.....	Ad val.	25%	22.5%	22.5%	22	27 25
Peaches.....	Ad val.	25%	22.5%	22.5%	125	146 133
N.o.p.....	Ad val.	25%	22.5%	15%	38	74 68
Fruit juices, n.o.p., excluding lime, orange, and passion-fruit juices.....	Ad val.	25%	25%	15%	)	) 493
Fruit sirup, n.o.p.....	Ad val.	25%	25%	20%	205	304
Nuts, of all kinds, n.o.p., but not including shelled peanuts, n.o.p.....	Lb.	2¢	1¢	1¢	178	350 393
Nuts, shelled, n.o.p., but not including shelled almonds, peanuts, or walnuts.....	Lb.	4¢	2¢	2¢	195	301 224
Honey.....	Lb.	3¢	2.5¢	1.5¢	1	2 8
Cotton, raw, including linters.....	-	Free	Free	Free	15,200	19,040 19,761
Hides, skins, and pelts, raw.....	-	Free	Free	Free	1,662	1,989 1,843

a/ Not separately classified.

c/ Includes all fresh vegetables not subject to advanced valuations. See page 591 for items subject to valuations and the rates thereof, with seasons of application and the basic duty rates.

d/ But not less than three-fourths cent per pound.

f/ Included in figures for "Vegetables, n.o.p."

g/ Includes all fresh fruits not subject to advanced valuations. See page 590 for items subject to valuations and the rates thereof, with seasons of application and the basic duty rates.

h/ But not less than 2.5 cents per pound.

i/ But not less than 1.5 cents per pound.

j/ June-February; margin bound to Australia during March-May.

m/ July-January; margin bound to Australia and South Africa during February-June.

n/ Canada reserves right to designate January-July as free-entry period.

o/ Figures do not include bottled ripe olives, which are part of this item.

b/ Less than \$500.

e/ But not less than 2 cents per pound seasonally.

l/ But not less than 2 cents per pound.

k/ But not less than 1 cent per pound.

Table 6. Canadian import duties on selected United States agricultural products reduced but not bound against increase by most-favored-nation treatment as of January 1, 1936, and continued as of January 1, 1939

Description of commodity	Rates of duty			Imports from the United States		
	Basis	Before Jan. 1, 1936	Before Jan. 1, 1939	1935 dollars	1936 dollars	1937 dollars
Animals, live, not for breeding:	Each	\$25.00	\$12.50	1,000	1,000	1,000
Horses, valued \$100 or less.....	Lb.	3¢	2¢	a/	a/	a/
Cattle.....	Each	\$3.00	\$2.00	a/	a/	a/
Sheep, lambs, goats.....	Ad val.	25%	20%	22	32	42
Others.....	Lb.	8¢	6¢	b/	b/	b/
Meat, fresh: Beef and veal.....	Lb.	8¢	6¢	2	3	3
Lamb and mutton.....	Lb.	5¢	2.5¢	a/	a/	2
Other (except pork).....	Ad val.	35%	30%	)	)	)
Meats and poultry, canned.....	Ad val.	35%	24%	)	)	)
Hams, canned.....	Ad val.	35%	30%	3	2	2
Meat extracts, etc.....	Ad val.	35%	30%	a/	a/	a/
Baby chicks, n.o.p.....	Ad val.	20%	-	187	47	38
Sausage casings, cleaned.....	Lb.	3¢	1.75¢	a/	a/	8
Lard, etc.....	Ad val.	20%	18%	27	48	41
Beeswax.....	Lb.	11¢	10¢	1	0	1
Eggs: Frozen, albumen, etc.....	Ad val.	30%	25%	25	67	70
Dried, albumen, etc.....	Lb.	7¢	6¢	a/	a/	a/
Cheese, specified types.....	Lb.	14¢	12¢	21	17	4
Butter.....	Lb.	16¢	10¢	178	92	156
Hops.....	Lb.	2¢	1.5¢	44	60	51
Beans, dry.....	Lb.	1¢	0.75¢	38	64	142
Peas, dry, not split.....	Bu.	15¢	12.50¢	1	a/	1
Buckwheat.....	100 lb.	50¢	45¢	1	3	3
Buckwheat flour and meal.....	Bbl.	25¢	22.5¢	43	18	30
Corn meal.....	Bu.	15¢	9¢	3	2	47
Rye.....	Bbl.	50¢	45¢	2	4	10
Rye flour.....	Bu.	30¢	12¢	14	93	1,293
Wheat.....	Bbl.	\$1.35	50¢	28	70	226
Wheat flour and semolina.....	Ton	\$2.00	\$1.75	a/	1	2
Straw.....	Ton	\$5.00	\$1.75	2	8	267
Hay.....	Lb.	3¢	2.25¢	84	9	54
Clover and alfalfa seed.....	Ad val.	19%	.9%	19	11	13
Field and garden seeds, n.o.p., worth \$5 and over per lb.						

Continued -

Table 6. Canadian import duties on selected United States agricultural products reduced but not bound against increase by most-favored-nation treatment as of January 1, 1936, and continued as of January 1, 1939 - Continued

Description of commodity	Rates of duty		Imports from the United States			
	Basis	Before Jan. 1, 1936	Before Jan. 1, 1939	1935 dollars	1936 dollars	1937 dollars
Millet and rapeseed.....	Ad val.	10%	9%	6	5	7
Bentgrass seed.....	Ad val.	30%	27%	1	1	2
Specified seeds (over 1 pound) for blending.....	Ad val.	10%	9%	18	11	10
Florists' stock: Palms, ferns.....	Ad val.	25%	20.25%	-	9	17
Azaleas, etc.....	Ad val.	20%	13.25% to 15%	26	33	30
Trees, n.o.p.: Apple.....	Each	d/ 7.5¢	d/ 6¢	10	16	32
Pear, plum, etc.....	Each	d/ 9¢	d/ 8¢	15	18	27
Peach.....	Each	6¢	5¢	11	6	17
Rosebushes, n.o.p.....	Each	7¢	3¢	3	6	3
Potatoes: Dried.....	Lb.	2.75¢	Free	)	)	)
Sweet, n.o.p.....	Lb.	2.75¢	1.75¢	)	)	)
Tomatoes, canned.....	Lb.	3¢	2¢	1	25	10
Dates, pitted.....	Lb.	2.50¢	1.6¢	14	8	22
Fruit pulp: Not grape, unsweetened, canned.....	Lb.	3¢	2.5¢	)	)	)
N.o.p., and crushed or frozen fruits.....	Lb.	3¢	2.5¢	)	)	)
Olives and cherries sulphured or in brine, not bottled..	Ad val.	30% or 35%	17.5%	36	67	50
Almonds and walnuts, shelled.....	Lb.	4¢	3¢	69	119	163
Molasses, untreated, direct from place of production...	Imperial gal.	3¢	2.5¢	4	3	4
Maple sugar and sirup.....	Ad val.	20%	17.5%	-	3	a/ 33
Sirups and molasses, n.o.p.....	100 lb.	50¢	.45¢	-	30	12
Malt sirups, extracts, etc.....	Lb. and ad val.	10¢ and 35%	5¢ and 30%	13	12	12
Casein.....	Ad val.	27.5%	25% and 2.5¢	2	2	4
Linseed oil, raw or boiled.....	and lb.	and 3¢	2.5¢	14	13	12
Lard oil and neat's-foot oil.....	100 lb. Ad val.	\$1.65 25%	\$1.55 22.5%	14	14	9

a/ Less than \$500.

b/ These figures include imports of items appearing in the list of special concessions to the United States (table 5), for which figures are not available.

c/ Not separately classified.

d/ Subject to seasonal specific minimum duties.

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CONCESSIONS GRANTED BY THE UNITED STATES

Schedule II of the new agreement contains commitments affecting imports into the United States from Canada valued in 1937 at \$327,000,000 and representing 83 percent of total imports from Canada. Newsprint paper and other forest products, on which free entry is bound, accounted for \$203,000,000 of the total trade. Duty reductions, which include most of the concessions on agricultural items, apply to a trade valued at \$121,000,000, while present duties are bound on items with a total value of \$3,000,000.

Agricultural imports with a total 1937 value of about \$46,000,000 are affected by the concessions granted to Canada. Most prominent among these in general interest are live cattle, dairy products, potatoes, and poultry products. In the latter group, shell eggs constitute the only item on which there is a duty reduction. The first agreement contained no concession on eggs. Tariff quotas continue to limit the volume of heavy cattle, calves, seed potatoes, and cream that may enter at the lower rates of duty.

Two new concession items, fluid milk and potatoes other than seed stock, are also limited by quotas. The old quotas on cattle, calves, and seed potatoes are enlarged, and the one on dairy cows is eliminated. Where quotas apply, any imports in excess of the stipulated amount must pay the duties established in the Tariff Act of 1930. Those rates are bound against increase.

In 1936 and 1937, the fact that United States drought losses were stimulating agricultural imports from Canada tended to exaggerate the response of the import trade to the lower duties granted to Canada in the first agreement. The effects of drought and of generally improved consumer demand were being felt in 1935, prior to the first agreement. Cattle imports in 1935, for example, were the largest since 1929. Furthermore, wheat imports from Canada in the period 1935-1937 reached unusually high levels and were valued at about \$32,000,000 in 1936. The duty on wheat was not reduced in either agreement.

In the great majority of cases, United States agricultural concessions to Canada are on items of which Canada usually is by far the principal supplier. This fact precludes any likelihood of third countries' taking undue advantage of the lower rates. While all duty reductions and quotas are applicable to all countries except Germany, the trade in most of the products involved always has been of outstanding interest only to Canada. A notable exception is the Mexican participation in the concession on live cattle. In addition to wheat, some of the other prominent products for which United States duties were not reduced in either agreement with Canada are butter, beef, canned pork, wool, and corn.

It is anticipated that United States imports from Canada of agricultural concession items will be larger in the future than they were prior to the drought period. It is not likely, however, that the high levels reached in 1936 and 1937 will be repeated unless unusual domestic supply and demand conditions again occur. The lower 1938 level of agricultural imports from Canada gives some indication of the probable trade volume when United States production is at more usual levels.

Cattle

The new agreement sets a United States duty of 1.5 cents per pound on cattle weighing 700 pounds or more. The 1937 ad-valorem equivalent of this rate was 28

percent.^{1/} The rate under the first agreement was 2 cents, and 3 cents under the Tariff Act of 1930. The new low duty applies to an annual tariff quota of 225,000 head, not including dairy cows. Of the new quota, not more than 60,000 may be admitted in any one calendar quarter. The former annual quota was 155,799 head. The new agreement places no limitation on the number of cows that may be imported for dairy purposes at the 1.5-cent rate of duty. Relatively few dairy cows were imported under the former quota of 20,000 head annually.

The new concession on calves retains the duty under the former agreement of 1.5 cents per pound. The 1930 rate on calves was 2.5 cents, the rate applying to cattle weighing less than 700 pounds. The tariff quota under the new agreement is 100,000 head annually against the former quota of 51,933 head. Under the first agreement, the concession duty applied to calves weighing 175 pounds or less per head. The new agreement raises the weight limit for calves to 200 pounds each.

The new agreement has the effect of reducing to 1.5 cents per pound the United States import duty on all cattle affected by concessions. The duty on nonconcession cattle (those weighing over 200 pounds and less than 700 pounds) is 2.5 cents per pound, the rate established in the Tariff Act of 1930 for all cattle weighing less than 700 pounds. If imports of concession calves exceed 100,000 head in any calendar year, the excess number will pay the 1930 rate of 2.5 cents per pound. Similarly, imports of cattle weighing 700 pounds or more in excess of 225,000 head will pay 3 cents per pound; furthermore, imports of such cattle in excess of 60,000 head in any calendar quarter will also pay 3 cents. The 1930 rates on cattle are bound against increase.

The quotas for 1936 and 1937 for both heavy slaughter cattle and calves were utilized completely, and additional imports were received that paid full-duty rates. For heavy cattle, the 1936 and 1937 quotas were filled by November 28 and August 19, respectively. By December 3, 1938, the quota for the current year was 75.7 percent filled. The 1936 quota for calves was filled by August 8, and in 1937 by June 19. In 1938, the calf quota was 77.6 percent filled by December 3. Of heavy cattle, imports from Canada accounted for 86 percent and 84 percent of the 1936 and 1937 quotas, respectively. In 1938 the Canadian share was 60 percent. Nearly all of the quota calves have been supplied by Canada. The United States imports no dutiable dairy cows from any source other than Canada.

Total imports of dutiable cattle from all sources in the first 10 months of 1938 on a live-weight basis were 38 percent smaller than the comparable 1937 imports. Imports during 1938 represented 2 percent of the live weight of all cattle and calves slaughtered under Federal inspection in the same 10 months. In the calendar year 1937, total imports represented 2.8 percent of the inspected slaughter of cattle and calves.

The 1938 imports of all dutiable live cattle and calves, at 331,000 head, compare with 300,000 head imported in the first 10 months of 1935. The 1938 imports from Canada, at 104,000 head, were 4,000 head smaller than the imports from Canada in the comparable 1935 period. Imports in that year were the largest since 1929 and paid the full duties fixed in the Tariff Act of 1930. The 1935 imports increased in response to higher United States prices following the unusual supply conditions resulting from drought losses, together with the improvement in consumer demand in evidence in the 1935-1937 period.

^{1/} Where references to ad-valorem equivalents of specific rates are given, they refer to calculations based on the 1937 value of imports, unless otherwise specified.

Table 7. United States cattle import duty, imports by number and weight, inspected slaughter, and price, 1919-1938

Year	Rate of duty	Imports				Federally in- spected slaughter of cattle and calves, live weight Million pounds	Average farm price per pound of beef cattle Cents
		By number		By weight			
		Total	From Canada	Total	From Canada		
1919.....	Free	Head 642,395	Head 550,004	-	-	9.61	
1920.....	Free	379,114	316,559	-	-	8.38	
1921.....	Free to May 27; 30% ad valorem thereafter	194,871	179,408	-	8,247	5.44	
1922.....	30% ad valorem to Sept. 21; 1.5¢ and 2¢ per lb., according to weight, thereafter 1.5¢ and 2¢ per lb.	236,000	205,873	68,533	9,226	5.43	
1923.....	do.	136,961	124,299	86,826	9,502	5.58	
1924.....	do.	141,985	130,590	93,408	9,982	5.55	
1925.....	do.	172,910	148,810	86,440	10,340	6.23	
1926.....	do.	211,598	163,341	98,210	10,723	6.43	
1927.....	do.	427,434	283,486	240,801	9,862	7.23	
1928.....	do.	517,150	277,868	256,643	8,851	9.12	
1929.....	do.	410,656	247,876	239,264	8,739	9.15	
1930.....	1.5¢ and 2¢ per lb. to June 17; 2.5¢ and 3¢ thereafter	226,273	55,308	92,031	8,613	7.46	
1931.....	2.5¢ and 3¢ per lb.	85,470	19,584	32,957	8,592	5.31	
1932.....	do.	95,407	5,994	35,556	7,973	4.07	
1933.....	do.	63,329	1,004	18,202	9,137	3.63	
1934.....	do.	57,679	1,825	21,352	10,355	3.88	
1935.....	do.	364,623	112,720	194,461	82,405	6.21	
1936.....	1.5¢, 2¢, and 3¢ per lb.	399,113	234,063	235,325	11,278	5.85	
1937.....	do.	494,946	295,338	284,444	10,241	6.96	
Jan.-Oct. 1937.....	do.	470,712	284,315	274,156	8,520	7.03	
1938 a/.....	do.	330,653	104,034	171,275	8,364	6.27	

a/ Preliminary.

Foreign Agriculture

Table 8. Imports of cattle into the United States from Canada and Mexico, 1936, 1937, and January-October 1938

Country, year, and period	700 pounds and over			Under 700 pounds			Total dutiable cattle
	Dairy	Others	Total	Less than 175 pounds	175 to 699 pounds	Total	
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
CANADA:							
1936 -							
First quarter....	671	31,861	32,532	4,261	2,246	6,507	39,039
Second quarter...	2,010	78,855	80,865	29,923	8,095	38,018	118,883
Third quarter....	2,214	21,580	23,794	18,183	12,688	30,871	54,665
Fourth quarter...	1,791	4,237	6,028	3,328	12,120	15,448	21,476
Total.....	a/ 6,686	b/136,533	143,219	c/ 55,695	35,149	90,844	234,063
1937 -							
First quarter....	1,362	49,806	51,168	17,754	2,040	19,794	70,962
Second quarter...	1,649	34,960	36,609	39,524	3,869	43,393	80,002
Third quarter....	1,664	60,293	61,957	17,816	28,869	46,685	108,642
Fourth quarter...	2,048	12,409	14,457	5,698	15,577	21,275	35,732
Total.....	d/ 6,723	e/157,468	164,191	f/ 80,792	50,355	131,147	295,338
1938 -							
First quarter....	1,323	14,166	15,489	12,862	577	13,439	28,928
Second quarter...	1,344	8,313	9,657	15,174	1,714	16,888	26,545
Third quarter....	2,392	17,062	19,454	10,682	2,436	13,118	32,572
October.....	733	11,290	12,023	2,432	1,533	3,965	15,988
January-October	g/ 5,792	h/ 50,831	56,623	i/41,150	6,260	47,410	104,033
MEXICO:							
1936 -							
First quarter....	0	11,663	11,663	226	49,154	49,380	61,043
Second quarter...	0	7,884	7,884	406	52,195	52,601	60,485
Third quarter....	0	1,908	1,908	983	16,466	17,449	19,357
Fourth quarter...	0	735	735	0	22,426	22,426	23,161
Total.....	0	b/ 22,190	22,190	c/ 1,615	140,241	141,856	164,046
1937 -							
First quarter....	0	14,154	14,154	244	56,480	56,724	70,878
Second quarter...	0	9,376	9,376	954	76,084	77,038	86,414
Third quarter....	0	971	971	61	19,229	19,290	20,261
Fourth quarter...	0	291	291	0	20,924	20,924	21,215
Total.....	0	e/ 24,792	24,792	f/ 1,259	172,717	173,976	198,768
1938 -							
First quarter....	0	10,449	10,449	194	48,891	49,085	59,534
Second quarter...	0	15,179	15,179	1,671	110,281	111,952	127,131
Third quarter....	0	4,222	4,222	8	16,265	16,273	20,495
October.....	0	6,479	6,479	60	12,226	12,286	18,765
January-October	0	h/ 36,329	36,329	i/ 1,933	187,663	189,596	225,925

a/ Quota 32.7 percent filled.

b/ Quota filled by November 28.

c/ Quota filled by August 8.

d/ Quota 33.6 percent filled.

e/ Quota filled by August 19.

f/ Quota filled by June 19.

g/ Quota 33.2 percent filled on December 3.

h/ Quota 75.7 percent filled on December 3.

i/ Quota 77.6 percent filled on December 3.

Data for the years 1919 to 1938 (table 7) illustrate the response of cattle imports to prices prevailing in the United States. Imports in 1919, 1928, and 1937 were the highest of the post-war period and coincided with the 3 years of that period in which United States cattle prices reached unusually high levels.

Imports in 1928, under the duties set in the Tariff Act of 1922, were larger than imports received in 1920 when no duty was in effect, and less than 20 percent smaller than imports received in 1919 under free entry and with prices higher than in any subsequent year.

Following the higher duties imposed in 1930, imports declined sharply, as did also the prices received by producers of beef cattle. In 1935, however, with domestic factors supporting an upturn in cattle prices, imports were almost as large as in the free-entry year of 1920. In 1937, with prices higher than at any time since 1930, imports responded as they had in earlier years of high prices. The lower prices and smaller cattle imports developed in 1938 were anticipated as domestic supplies of beef and other meat, chiefly pork, recovered from the effects of drought.

Other Livestock and Livestock Products

Reductions in the United States duties on live hogs, fresh and chilled pork, and certain types of cured pork appear in the new agreement with Canada. No reduction, however, is made in the duties on canned hams or other forms of canned pork, or on sausage. No reduction in the United States duties on these items was made in the 1936 agreement with Canada, or in any other agreement.

The duty on live hogs is reduced to 1 cent per pound, a maximum concession. A similar reduction is made in the Canadian duty on hogs. Both the United States and Canada are on an export basis in hogs and pork, although in most years the United States sends more hogs to Canada than are imported from that country. The 1-cent rate has an ad-valorem equivalent of 11 percent.

As the droughts of 1934 and 1936 began to be reflected in higher United States prices for livestock, a considerable increase occurred in imports of hogs, and exports practically ceased. In 1935, imports of hogs, nearly all from Canada, were valued at about \$305,000 against about \$9,000 in 1931. By 1937, those imports were valued at more than \$1,500,000. With recovery from drought losses under way, however, United States hog prices have declined, and indications are for a 1938 import total of about \$5,000.

For pork, fresh or chilled, but not frozen, the new duty of 1.25 cents per pound has an ad-valorem equivalent of about 9 percent. The 1922 rate on this item was three-fourths of a cent per pound. As in hogs, reduced domestic supplies in 1936 and 1937 caused a heavy increase in imports, the 1937 figure being nearly 17 million pounds. Imports in 1938, however, should total about 2 million pounds. Exports of fresh pork in most years have been several times as large as imports, and increased United States production is restoring that relationship.

The duty on cured pork, excluding canned pork and sausage, is reduced to 2 cents per pound from 3.25 cents in 1930. The rate was 2 cents in 1922. There has always been some two-way business in these items, although the 3,397,000 pounds imported in 1937 was considerably larger than usual as a result of the same circumstances that increased the imports of other livestock products. The 1938 imports from Canada in this group totaled about 500,000 pounds by the end of October.

Cheese

The United States import duty on Cheddar cheese, not processed, is fixed at 4 cents per pound but not less than 25 percent ad valorem. The new rate compares with 5 cents per pound, or 25 percent, in the 1936 agreement and 7 cents, or 35 percent, in the Tariff Act of 1930. The new rate also covers a small amount of business in original loaves that have been cut into smaller pieces, but does not apply to any cheese further processed. The rate is slightly lower than that contained in the Tariff Act of 1922, but higher than the rates in effect prior to that act, and has an ad-valorem equivalent of 27 percent.

Table 9. United States Cheddar cheese import duty, imports from Canada, production, and price, 1919-1938

Year	Rate of duty	Imports from Canada a/	Production	Percentage imports are of production	Price per pound b/
		<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>	<u>Cents</u>
1919.....	20% ad valorem	4,732	281,837	1.68	29.0
1920.....	do.	813	254,684	0.32	24.9
1921.....	20% ad valorem to May 27; 23% ad valorem thereafter	2,498	261,726	0.95	18.3
1922.....	23% ad valorem to Sept. 21; 5¢ per lb., minimum 25%, thereafter	6,351	282,806	2.25	19.3
1923.....	5¢ per lb., min. 25%	3,105	308,108	1.01	22.1
1924.....	do.	984	324,695	0.30	18.2
1925.....	do.	210	347,240	0.06	21.5
1926.....	do.	11,835	335,915	3.30	20.1
1927.....	do.	13,268	307,777	4.31	22.7
1928.....	do.	7,488	335,253	2.23	22.1
1929.....	do.	8,279	370,314	2.24	20.2
1930.....	5¢ per lb., min. 25%, to June 17; 7¢ per lb., min. 35%, thereafter	3,142	378,816	0.83	16.4
1931.....	7¢ per lb., min. 35%	1,511	374,648	0.40	12.5
1932.....	do.	606	370,743	0.16	10.0
1933.....	do.	1,028	408,631	0.25	10.2
1934.....	do.	1,034	435,491	0.24	11.7
1935.....	do.	769	468,999	0.16	14.3
1936.....	5¢ per lb., min. 25%	10,757	487,576	2.21	15.3
1937.....	do.	4,656	481,719	0.97	15.9
Jan.-Oct. 1937.....	do.	4,526	424,156	1.07	15.6
1938 c/..	do.	1,647	476,120	0.35	12.7

a/ Chiefly Cheddar 1919 to 1935, and Cheddar only, 1935 to date.

b/ Cheddar cheese, twins, annual average on Wisconsin Cheese Exchange.

c/ Preliminary.

Practically all of the cheese imported into the United States from Canada is of the Cheddar type; Canada also is by far the leading source of the United States imports of that type of cheese. For the period 1919 to 1938, cheese imports from Canada have never exceeded 4 percent of United States production of Cheddar; in most years prior to 1930, imports did not exceed 2 percent of production.

The volume of Cheddar imported from Canada in 1936, following the first trade agreement, was the largest since 1927, when import duties were the same as those set in the 1936 agreement. The 1927 prices were much higher than those prevailing in 1936. In 1937, imports were less than half as large as in the preceding year, despite the fact that United States prices in 1937 averaged somewhat higher than in 1936. Figures for 1938 show a further sharp shrinkage in imports and a decline below 1937 average prices of about 20 percent.

While the rates on cheese established in the Tariff Act of 1930 may have discouraged imports, the higher duties failed to prevent a sharp decline in United States cheese prices. As a matter of fact, prices of cheese and other dairy products are particularly sensitive to changes in consumer demand. In other words, regardless of the level of the import duty, the price of cheese tends to be higher when economic conditions are good and lower when unfavorable conditions prevail. In recent years, for instance, United States cheese production has continued to increase, but cheese prices moved upward through 1937 coincident with a general improvement in consumer demand.

There are important factors affecting the movement of Canadian cheese to the United States, however, other than United States prices and import duties. The position of Canadian cheese in the British market, together with the influence of that market on Canadian prices relative to American prices, appears to be a leading, if not the dominant, factor. Canada has been exporting an average of about 65 million pounds of cheese annually in recent years, of which about 60 million pounds have gone to the United Kingdom. Exports represent approximately 62 percent of Canadian annual average factory production. Canadian cheese enters the United Kingdom market free of duty, and Canadian production is showing an upward tendency. Pressure to sell in the United States is increased in some years, such as 1936, when United Kingdom market conditions are less favorable than usual and Canadian production is relatively high. In both 1937 and 1938, however, larger exports have gone to the United Kingdom at prices more favorable than those obtainable in the United States.

Other Dairy Products

Fluid cream is the chief dairy item other than Cheddar cheese affected by the new trade agreement with Canada. Other items are fluid whole milk, fluid skimmed milk, and fluid and dried buttermilk. Butter is not among the items upon which the United States has granted duty reductions to Canada or to any other country. The concessions on both fluid milk and cream are associated with quantitative limits on imports at the reduced duties, although imports of neither item have been large enough to warrant attention as factors influencing the general level of whole-milk or butterfat prices in the United States. Production of whole milk in the United States is estimated to exceed 100 billion pounds (11.6 billion gallons) annually. Cream production is put at around 650 million gallons a year.

Cream - The new agreement places the United States duty on fresh or sour cream at 28.3 cents per gallon. The new rate compares with the 35-cent rate in the 1936 agreement. In both agreements the lowered rates apply to a tariff quota of 1.5 million gallons annually. The rate on cream in the Tariff Act of 1930, 56.6 cents per gallon, is payable upon any imports in excess of 1.5 million gallons in any single year. The ad-valorem equivalent of the new rate is 19 percent.

In 1936, imports of cream, practically all of which came from Canada, totaled 44,000 gallons and advanced to 137,000 gallons in 1937, the largest imports of any year since 1930. In 1938, however, imports declined to 4,921 gallons for the first 10 months. In both 1934 and 1935, imports were less than 1,000 gallons. Imports

are utilized chiefly in New England; but in Boston alone, where most of the 1937 imports were marketed, 1937 receipts of cream from domestic sources amounted to 5,780,000 gallons. If all the imports had been utilized in Boston, they would have represented 2.3 percent of the total supply for that city.

In 1919 and 1920, when the United States imposed no duty on cream, imports averaged about 1 million gallons annually. In spite of duties of 5 cents per gallon in 1921, and of 20 cents in 1922, imports continued to increase, reaching a high point of 5,374,000 gallons in 1926. By 1929, when the duty was raised to 30 cents, imports had declined from the 1926 level by about 45 percent in a period when the duty was 20 cents per gallon. The Milk Imports Act of 1927, setting up sanitary requirements for foreign dairymen shipping fluid cream and milk to the United States market, was an important factor contributing to the smaller imports. State and municipal regulations also have tended to limit the number of foreign producers qualified to market cream in the United States.

Milk - Whole milk, fresh or sour, appears as a concession item in the new agreement with Canada. The 1930 rate of 6.5 cents per gallon is reduced to 3.25 cents by the agreement, the lower rate applying to an annual tariff quota of 3 million gallons.

In the Tariff Act of 1922, no distinction was made between whole and skimmed milk. The act, however, made fresh milk dutiable at 2.5 cents per gallon and sour milk dutiable at 1 cent per gallon. On June 17, 1929, the rate on fresh milk was raised by Presidential proclamation to 3.75 cents, the rate on sour milk being left at 1 cent. In some of the years of the 1922-1929 period, the United States imported somewhat more than 3 million gallons of fresh and sour milk.

In the past few years, imports have not exceeded 6,500 gallons annually. The new rate has an ad-valorem equivalent of about 11 percent. If the low-duty quota were fully utilized and all of it sold in the Boston market, it would represent about 5 percent of the average total receipts of fluid milk in that market during 1936 and 1937. There is considerable doubt, however, as to Canada's being able to market even the quota amount in the United States.

Other items - Another concession affecting dairy products in the new agreement is the binding of the 1930 duty of 2.05 cents per gallon on fresh or sour skim milk and on buttermilk. Imports of those items were not separately classified prior to 1930, but imports in recent years have not exceeded 61,000 gallons annually. The duty on this item always has been relatively low, usually representing an ad-valorem charge of about 9 percent. The United States also grants Canada a concession on dried buttermilk in the new agreement, reducing the 1930 duty of 3 cents per pound to 1.5 cents. The new rate represents an ad-valorem charge of 41 percent. Less than 10,000 pounds were received in 1937 from all sources. In many years there have been no imports of dried buttermilk, but in 1936 imports reached 359,000 pounds valued at over \$17,000, of which Canada supplied 320,000 pounds.

Poultry and Eggs

The United States imports of poultry from Canada are largely in the form of live birds. The new agreement makes no further reductions in the United States duties on live or dressed poultry. The 1937 imports from Canada of live chickens, ducks, geese, turkeys, and guineas reached a value of \$733,000 and represented about 80 percent of the total imports of those items. Imports of dead chickens, guineas, ducks, and geese from Canada in 1937 were valued at \$7,500. Dead turkeys, of which

Argentina is the chief supplier, were not included in either agreement with Canada. The duty on that item remains at the rate of 10 cents per pound established in the Tariff Act of 1930.

The United States duty of 4 cents per pound on live chickens, ducks, geese, turkeys, and guineas in the new agreement represents a continuation of the 50-percent, or maximum, reduction granted to Canada in the first agreement. The 4-cent rate is 1 cent higher than the rate in the Tariff Act of 1922 on live poultry and has an ad-valorem equivalent of 25 percent.

Imports in 1936 over a 4-cent duty reached 1,118,000 pounds, a sharp increase over figures for several preceding years but smaller than those of 1929, which were brought in over a 3-cent duty. In 1937, imports rose to 4,442,000 pounds, a movement stimulated by the relatively high prices of other meats in the United States that year. Indications are, however, that imports in 1938 will be about 75 percent smaller than the 1937 imports.

The 6-cent duty on dead chickens and guineas established in the first agreement did not constitute a maximum concession. The new agreement makes no further reduction in the rate indicated, but it extends the 6-cent duty to cover dead ducks and geese, a minor item of trade. The present rate is the same as that in the 1922 tariff for all dead poultry. The 6-cent duty had an ad-valorem equivalent of 36 percent, based on 1937 trade values.

The 1936 concession was followed by a sharp increase in imports, the total of chickens and guineas from Canada for that year reaching 172,000 pounds. The 1937 figure, however, was only 36,000 pounds, and imports this year have been still smaller. Imports of dead ducks and geese from Canada amount to less than 3,000 pounds per year. For ducks and geese, the 6-cent rate represented a charge of 51 percent ad valorem.

Imports of live or dressed poultry represent a very small addition to total domestic supplies. In 1937, receipts of dressed poultry alone at the four leading markets (Boston, New York, Philadelphia, and Chicago) totaled 328 million pounds. Imports in that year were unusually large but represented about 1.5 percent of the total receipts at the four markets.

The concession on chicken eggs in the shell contained in the new agreement represents a maximum reduction of 50 percent to 5 cents per dozen. The new rate is 3 cents lower than the rate on shell eggs in the 1922 tariff. Imports of chicken eggs have not been reported separately heretofore, but imports of eggs from Canada have usually been considerably larger than imports from other countries known to be interested chiefly in chicken eggs.

Canada also grants a 5-cent rate to the United States on chicken eggs. Under the 10-cent rates imposed by both countries since 1930, the United States in most years has sent more eggs to Canada than have been imported from Canada. It is unlikely that the lower rates will alter that trade relationship. The 5-cent rate represents an ad-valorem equivalent of 16 percent for eggs imported into the United States.

The United States is on a net export basis with respect to fresh chicken eggs in the shell, and imports are always a small fraction of 1 percent of domestic production, which has exceeded 2.5 billion dozen annually in recent years. Imports in 1937 from all sources except the Orient reached only 12,000 dozen, while exports totaled more than 2,250,000 dozen.

White Potatoes

The United States seed-potato concession to Canada in the new agreement includes a lower duty, a larger quota, and a new 12-month period upon which to compute the low-duty quota. The new quota period is associated with the quota period adopted for the low-duty quota applied to table potatoes. Prior to the first trade agreement with Canada, imported seed and table stock paid the same rates of duty. Distinction between the two types in the United States import records began in 1930.

Certified seed - The new duty in the period March 1-November 30 is 37.5 cents per 100 pounds against 45 cents in the first agreement. The duty for the other months of the year remains for the present at 60 cents per 100 pounds. The 1930 tariff rate was 75 cents all year. The rates in the new agreement apply to 1.5 million bushels annually against 750,000 bushels in the 1936 agreement. The new quota year begins September 15, to coincide with the opening date for the quota on table stock. In the first agreement, the quota year began December 1. The new seed quota represents about 13 percent of average domestic production during the past 5 years.

Table 10. United States import duty, imports from Canada, and production of certified-seed potatoes, 1930-1938

Year	Rate of duty	Imports from Canada ^{a/}	Production
		1,000 bushels	1,000 bushels
1930.....	50¢ per 100 lb. to June 17; 75¢ per 100 lb. thereafter	271	6,730
1931.....	75¢ per 100 lb.	550	8,091
1932.....	do.	371	6,925
1933.....	do.	494	8,845
1934.....	do.	256	10,460
1935.....	do.	111	12,064
1936.....	60¢ or 45¢ per 100 lb., according to season	729	11,111
1937.....	do.	786	15,395
Jan.-Oct. 1937.....	do.	698	15,500
1938 ^{b/}	do.	466	¢/

a/ Certified-seed potatoes were not reported separately prior to 1930. Canada is the sole source of United States imports of certified-seed potatoes, although small amounts of Canadian stock have come as transshipments through other countries.

b/ Preliminary.

¢/ Not yet available, but reported equal to at least 75 percent of the 1937 crop.

Maintenance of the 60-cent duty on certified seed in the December-February period is conditional upon the outcome of negotiations to revise the United States-Cuba trade agreement of 1934. Cuba produces no certified-seed potatoes; however, the seasonal preferential concession on potatoes granted to Cuba failed to exempt certified seed. The new agreement with Canada stipulates that, if and when Cuba relinquishes any claim to a concession on certified seed, the rate on that item shall be 37.5 cents per 100 pounds the year round on the quota specified.

Imports of certified seed in the first quota year (1935-36) fell slightly short of the quota of 750,000 bushels, while in the second year (1936-37) imports were slightly larger than the quota. The 1936-37 quota year came after the small 1936 potato crop (332 million bushels) and prices were relatively high. Imports

during the 1937-38 quota year were less than 1 percent short of the quota. The 1937 United States potato crop, including certified seed, was somewhat larger than average. The 1938 crop, however, was just about average, and prices in recent months have run slightly higher than those of last year.

During the past 5 years, the Canadian certified acreage has tended to increase. The 1937 crop of 5,500,000 bushels was the largest since 1931. It is reported, however, that the acreage qualifying for certification in 1938 was considerably smaller than in the preceding year.

Others - The new agreement with Canada provides for a United States import duty on white potatoes other than certified seed of 37.5 cents per 100 pounds in the months of March-November and a rate of 60 cents in the December-February period.

Table 11. United States potato import duty, imports, production, and price, 1919-1938

Year beginning July 1	Rate of duty	Imports ^{a/}	Production	Average price per bushel paid to producers ^{b/}
		1,000 bushels	1,000 bushels	Cents
1919.....	Free or 10% ad valorem ^{c/}	6,941	297,341	190.9
1920.....	Free or 10% ad valorem to May 27; 25¢ per bushel thereafter	3,423	368,904	132.8
1921.....	25¢ per bushel	2,110	325,312	112.8
1922.....	25¢ per bushel to September 21; 50¢ per 100 pounds thereafter	572	415,373	68.5
1923.....	50¢ per 100 pounds	564	366,356	91.4
1924.....	do.	478	384,166	71.2
1925.....	do.	5,420	296,466	165.8
1926.....	do.	6,349	321,607	136.1
1927.....	do.	3,803	369,644	108.5
1928.....	do.	2,698	427,249	57.1
1929.....	50¢ per 100 pounds to June 17; 75¢ per 100 pounds thereafter	6,006	332,204	131.8
1930.....	75¢ per 100 pounds	5,729	340,572	91.9
1931.....	do.	1,493	384,125	46.3
1932.....	do.	440	376,425	39.2
1933.....	do.	2,102	342,306	82.1
1934.....	do.	532	406,105	44.8
1935.....	75¢ per 100 pounds to December 31, 60¢ or 45¢ per 100 pounds thereafter	964	386,380	59.7
1936.....	60¢ or 45¢ per 100 pounds	1,384	331,918	112.9
1937.....	do.	683	393,289	52.9
July-Oct.				
1937....	do.	1,291	393,289	60.7
1938 ^{d/}	do.	1,272	368,203	54.4

^{a/} Imports are chiefly from Canada.

^{b/} Weighted average for years 1919-1937; simple averages for July-October 1937 and 1938.

^{c/} The 10-percent duty applied on potatoes from any country imposing a duty on United States potatoes.

^{d/} Preliminary.

The new low rates apply to a tariff quota of at least 1 million bushels in any 12 months beginning September 15. If in any year the regular production estimate as of September 1 for the total United States potato crop indicates an outturn of less than 350 million bushels, the low-duty quota shall be increased by the difference between that figure and the current crop estimate. In 8 of the past 18 years, the United States total potato crop has been less than 350 million bushels, with the average shortage amounting to about 27 million bushels. Any imports in excess of the current year's quota will pay the full 1930 duty of 75 cents per 100 pounds.

For about half the time during the past 38 years, and under varying rates of duty, the United States has had an annual net export balance in potatoes. In the fiscal year 1911-12, imports reached nearly 14 million bushels after the short 1911 potato crop (303 million bushels), with the import duty at 25 cents per bushel of 60 pounds. In no other year since then have imports gone as high as 7 million bushels, and usually have been less than 3 million bushels. Exports have ranged from 1 to 4 million bushels annually since 1900.

The years of exceptionally large potato imports have followed seasons when the United States potato crop has fallen close to, or below, 300 million bushels. Even in those years when imports were relatively large, they represented little more than 1 percent of the national potato supply, and usually considerably less than 1 percent. Under the Tariff Act of 1922, all potatoes paid an import duty of 50 cents per bushel. In the 1930 act the duty was raised to 75 cents.

Maple Products

The United States import duties on maple sugar and maple sirup in the new agreement are 3 cents and 2 cents per pound, respectively. The new rates have ad-valorem equivalents of 20 percent and 9 percent on sugar and sirup, respectively. The agreement restores the relationship between the rates on the two items in effect prior to the 1936 trade agreement. Before 1936, the rates were 6 cents for sugar and 4 cents for sirup. The first agreement resulted in a 4-cent duty on both sugar and sirup. The rates set in the 1930 tariff were 8 cents for sugar and 5.5 cents for sirup. These rates were cut to 6 cents and 4 cents, respectively, by Presidential proclamation in November 1931.

Restoration of a differential between the rates on sugar and sirup was deemed advisable in view of the heavy shift to sugar in the imports of 1936 and 1937, since a 4-cent rate on sirup meant the payment of duty on substances other than sugar at the same rate chargeable upon sugar as such. The single duty set up in the first agreement represented a return to the conditions existing prior to 1930, when the duty on both sugar and sirup was 3 cents and 4 cents under the Tariff Acts of 1913 and 1922, respectively.

Total imports of sugar under the 4-cent rate of 1936 were in line with imports of 1927 and 1928, when the rate was also 4 cents. Prices paid to producers of maple sugar in the earlier years were advancing toward the peak reached in 1929 and 1930, with the 1929 imports reaching the highest point in the past 20 years. Prices in 1937 were close to the 1929 level, but imports were only about half as large as in 1929. Indications are that the total 1938 imports of duty-paid sugar will be smaller than in 1937.

Maintenance of relatively high duties on maple products has failed to check the downward trend of trees tapped annually for maple sirup. From 1919 to 1938, the number of trees tapped has declined by nearly 30 percent. Annual production, in

terms of sugar, has also tended downward; but variations in seasonal conditions have obscured the trend somewhat. There is some evidence that the demand for maple wood has been an important factor in reducing the number of trees available for sugar production. The upward trend in sugar prices during recent years of larger imports suggests that the imported supplies of sugar and sirup are not having an adverse effect upon the domestic industry.

Table 12. United States production, duty-paid imports, and price of maple products, in terms of sugar, 1919 to 1938

Year	Trees tapped	Production	Imports ^{a/}	Price per pound of sugar
	<u>1,000 trees</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Cents</u>
1919.....	16,639	35,637	b/ 4,277	-
1920.....	16,672	31,976	b/ 7,608	-
1921.....	14,160	21,891	b/ 2,580	-
1922.....	15,198	32,187	3,289	-
1923.....	14,178	30,752	2,070	-
1924.....	14,193	32,688	3,955	26.0
1925.....	14,070	25,774	3,529	26.9
1926.....	13,948	31,617	4,034	29.3
1927.....	13,751	30,615	5,661	28.7
1928.....	13,489	24,445	7,244	28.6
1929.....	12,858	20,250	12,355	30.0
1930.....	13,062	31,498	10,860	30.1
1931.....	12,138	19,350	1,778	25.7
1932.....	12,091	20,919	2,672	24.5
1933.....	12,076	18,776	3,243	20.8
1934.....	12,158	20,431	3,933	24.7
1935.....	12,496	28,720	3,715	26.5
1936.....	11,854	20,209	6,428	26.7
1937.....	11,739	21,486	6,111	29.1
1938.....	11,672	22,216	-	28.3
Jan.-Oct. 1937.....	-	-	5,647	-
1938 ^{c/}	-	-	3,788	-

a/ Sirup converted to sugar on basis of 11 pounds of sirup = 8 pounds of sugar. Practically all from Canada.

b/ Imports of sugar and sirup not reported separately. Figures shown contain unconverted figures for sirup, in pounds.

c/ Preliminary.

Grains and Grain Products

Practically all of the reductions made in the United States duties on grains and grain products in the new agreement with Canada are matched by similar concessions on the part of Canada. No cuts are made in the United States duties on wheat grain or flour or on corn. Imports of all grains increased sharply in 1935, 1936, and 1937, but recovery from drought losses has restored the United States to its usual position as a heavy net exporter of grain.

The new agreement reduces the rate on barley to 15 cents per bushel from the 20-cent rate in effect since 1922. The new rate has a 1937 ad-valorem equivalent of 17 percent. In that year, imports reached the unusually high figure of 9,564,000 bushels. Canada supplied the greater part. The general shortage of feedstuffs attracted a fair amount of the imports, but a considerable volume of malting barley was also imported.

Table 13. Agricultural concessions granted by the United States to Canada, in Schedule II, effective January 1, 1939

Description of commodity	Unit of duty	Duty rate under			Imports from Canada			
		Tariff Act of 1922	Tariff Act of 1930	1936 Agreement	1939 Agreement	1935	1936	1937
Maple sugar.....	Lb.	4¢	a/ 6¢	4¢	3¢	1,000 dollars	1,000 dollars	1,000 dollars
Maple sirup.....	Lb.	4¢	b/ 4¢	4¢	2¢	283	983	915
Dairy cows weighing 700 pounds and over.....	Lb.	2¢	3¢	1.5¢	1.5¢	203	46	18
Annual tariff quota of 20,000 head effective under 1938 agreement only.						d/	351	425
Other cattle, weighing 700 pounds and over.....	Lb.	2¢	3¢	2¢	1.5¢	3,607	6,878	11,007
Annual tariff quota of 155,799 head under 1936 agreement; and of 225,000 head under 1939 agreement, but not more than 60,000 head in any calendar quarter.								
Calves, weighing 200 pounds or less.....	Lb.	1.5¢	2.5¢	1.5¢	1.5¢	d/	752	1,246
Annual tariff quota of 51,933 head weighing 175 pounds or less under 1936 agreement. The 1939 agreement also raises the quota to 100,000 head.								
Hogs, live.....	Lb.	0.5¢	2¢	-	1	305	1,449	1,525
Pork, fresh or chilled, but not frozen.....	Lb.	0.75¢	2.5¢	-	1.25¢	e/ 499	e/ 1,551	e/ 2,583
Bacon, hams, shoulders, and other pork, prepared or preserved, if not cooked, boned, or packed in airtight containers, or made into sausage of any kind.....								
Edible animal offal, fresh, chilled, or frozen.....	Lb.	2¢	3.25¢	-	2¢	f/ 176	f/ 790	f/ 921
Minimum.....	Lb.	-	6¢	-	3¢	32	41	58
Cream, fresh or sour.....	Ad val.	20%	20%	-	15%	-	-	-
Annual tariff quota 1,500,000 gallons under 1936 agreement retained in 1939 agreement.	Gal.	g/ 30¢	56.6¢	35¢	28.3¢	1	65	204
Whole milk, fresh or sour h/.....	Gal.	3.75¢ or 1¢	6.5¢	-	3.25¢	1	1	1/
Annual tariff quota 3 million gallons under 1939 agreement.								
Skimmed milk, fresh or sour h/.....	Gal.	3.75¢ or 1¢	2.05¢	-	2.05¢	3	14	4
Buttermilk:								
Fluid.....	Gal.	1¢	2.05¢	-	2.05¢	d/	d/	d/
Dried.....	Lb.	-	3¢	-	1.5¢	0	17	0
Cheddar cheese.....	Lb.	5¢	7¢	5¢	4¢	-	-	-
Minimum.....	Ad val.	25%	35%	25%	25%	k/ 105	1,464	708
1936 agreement covered only "original loaves"; 1939 agreement covers cheese "cut but not further processed."								
Birds, live (chickens, ducks, geese, guineas, and turkeys).....	Lb.	3¢	8¢	4¢	4¢	10	176	733
Birds, dead, fresh, chilled, or frozen:								
Chickens and guineas.....	Lb.	6¢	10¢	6¢	6¢	1	40	7
Ducks and geese.....	Lb.	6¢	10¢	-	6¢	d/	1/	1/
Eggs of chickens, in shell.....	Doz.	8¢	10¢	-	5¢	14	6	3
Horses, unless for immediate slaughter or breeding:								
Valued at not more than \$150.....	Each	\$30	\$30	\$20	\$15	592	2,013	1,191
Valued at more than \$150.....	Ad val.	20%	20%	-	17.5%	28	61	49

Honey.....	Lb.	3¢	1/	2¢	-	1.5¢	1/	1	1
Barley, hulled or unhulled.....	Bu.	20¢		20¢	-	15¢	3,258	6,567	9,132
Barley malt.....	100 lb.	40¢		40¢	-	40¢	2,494	1,614	2,286
Buckwheat:									
Hulled or unhulled.....	100 lb.	10¢		25¢	-	15¢	5	79	29
Flour and grits or groats.....	Lb.	0.5¢		0.5¢	-	0.3¢	1	4	1
Oats:									
Hulled, unfit for human consumption.....	Bu.	15¢		16¢	8¢	8¢	d/	6	1/
Unhulled, ground.....	100 lb.	45¢		45¢	-	25¢	1/	1	21
Others, hulled or unhulled.....	Bu.	15¢		16¢	-	8¢	319	19	25
Oatmeal, rolled oats, etc.....	100 lb.	80¢		80¢	-	10¢	)	)	)
Minimum.....	100 lb.	-		-	-	40¢	)	)	)
Maximum.....	100 lb.	-		-	-	80¢	)	)	)
Rye.....	Bu.	15¢		15¢	-	12¢	199	1,658	166
Rye malt.....	100 lb.	40¢		40¢	-	35¢	54	49	46
Wheat unfit for human consumption.....	Bu.	42¢		10¢	5%	5%	8,621	4,036	285
Bran, shorts, byproduct feeds in milling grain.....	Ad val.	7.5%		10%	10%	5%	5,404	6,144	6,087
Hulls of grain, ground or unground.....	100 lb.	10¢		10¢	-	5¢	159	81	58
Dried beet pulp.....	Ton	\$5.00		\$5.00	-	\$3.75	140	282	80
Malt sprouts and brewers' grains.....	Ton	\$5.00		\$5.00	-	\$2.50	26	17	30
Mixed feeds.....	Ad val.	10%		10%	10%	5%	161	112	286
Screenings, scalplings, etc., ground or unground.....	Ad val.	10%		10%	10%	5%	560	1,063	660
Cereal breakfast foods, n.s.p.f.....	Ad val.	20%		20%	15%	10%	51	267	76
Apples, green or ripe.....	Bu.	25¢		25¢	15¢	15¢	4	33	39
Blueberries:									
Prepared, preserved, or frozen, but not in brine and not dried, desiccated, or evaporated, n.s.p.f.	Ad val.	35%		35%	25%	17.5%	67	132	248
Natural or in brine.....	Lb.	1.25¢		1.25¢	-	1¢	137	277	260
Strawberries, natural or in brine.....	Lb.	1.25¢		1.25¢	0.75¢	0.75¢	d/	54	82
Berries, edible:									
Frozen and n.s.p.f.....	Ad val.	35%		35%	-	17%	1	1	6
Natural state or in brine, n.s.p.f. (except lingon or partridge berries).....	Lb.	1.25¢		1.25¢	-	0.75¢	d/	27	36
Cherries, in their natural state, not in airtight or watertight containers.....	Lb.	2¢		2¢	1¢	1¢	9	9	1
Cider.....	Gal.	5¢		5¢	-	3¢	63	24	45
Cut flowers.....	Ad val.	40%		40%	-	25%	10	13	21
Grass and other forage seeds:									
Alfalfa.....	Lb.	4¢		8¢	4¢	4¢	9	218	642
Alsike clover.....	Lb.	4¢		8¢	4¢	4¢	1/	215	229
Sweetclover.....	Lb.	2¢		4¢	2¢	2¢	1/	222	579
Timothy.....	Lb.	2¢		2¢	1¢	1¢	357	10	7
Bluegrass.....	Lb.	2¢		5¢	2.5¢	2.5¢	14	17	17
Red clover.....	Lb.	4¢		8¢	4¢	4¢	1/	236	441
Bentgrass.....	Lb.	2¢		40¢	40¢	20¢	1/	1/	1/
Wheatgrass.....	Lb.	2¢		2¢	2¢	1¢	d/	d/	d/
Brome grass.....	Lb.	2¢		2¢	2¢	1¢	d/	d/	d/

Continued

Table 13. Agricultural concessions granted by the United States to Canada, in Schedule II, effective January 1, 1939.—Continued

Description of commodity	Unit of duty	Duty rate under			Imports from Canada			
		Tariff Act of 1922	Tariff Act of 1930	1936 Agreement	1939 Agreement	1935	1936	1937
Tree and shrub seeds.....	Lb.	8¢	8¢	8¢	4¢	1,000 dollars	1,000 dollars	1,000 dollars
Beets, not sugar beets.....	Ad val	17%	17%	17%	10%	1/	1	0
Peas, green or unripe, July 1-Sept. 30.....	Lb.	1¢	2/ 3.9¢	2¢	2¢	0	0	0
Oct. 1-June 30.....	Lb.	1¢	2/ 3.9¢	-	-	0	0	0
Potatoes, white, certified-seed stock:								
March 1-November 30.....	100 lb.	50¢	75¢	45¢	37.5¢	)	713	807
December 1-end of February.....	100 lb.	50¢	75¢	60¢	4/ 60¢	)		
Tariff quotas of 750,000 bushels in 1939 agreement and of 1,500,000 bushels in 1939 agreement. <i>p/</i>								
Potatoes, white, other:								
March 1-November 30.....	100 lb.	50¢	75¢	-	37.5¢	)	416	343
December 1-end of February.....	100 lb.	50¢	75¢	-	60¢	)		
Tariff quota of 1 million bushels annually under 1939 agreement. Quota in any year may be increased by the amount that United States production of all white potatoes, as shown by September 1 crop estimate, falls below 300 million bushels.								
Turnips and rutabagas.....	100 lb.	12¢	25¢	12.5¢	12.5¢	541	919	841
Carrots, radishes, cauliflower in natural state.....	Ad val	25%	50%	-	25%	d/	2	1
Hay.....	£/Ton	s/\$4.00	\$5.00	\$3.00	\$2.50	170	541	1,067
Straw.....	£/Ton	s/\$1.00	\$1.50	75¢	75¢	46	53	69
Flax straw.....	g/Ton	\$2.00	\$3.00	-	\$1.50	d/	d/	d/

a/ 8 cents in Tariff Act of 1930; reduced by Presidential proclamation under Sec. 336, March 7, 1931.

b/ 5.5 cents in act of 1930; reduced as above.

c/ In act of 1922, weight classes were "less than 1,050 pounds" and "1,050 pounds and over."

d/ Not separately classified.

e/ Figures include small imports of frozen pork.

f/ Figures include canned pork.

g/ 20 cents per gallon in act of 1922; raised to 30 cents by Presidential proclamation, June 13, 1929.

h/ The act of 1922 did not distinguish between whole and skimmed milk but made fresh milk dutiable at 2.5 cents and sour milk at 1 cent. Rate on fresh milk placed at 3.75 cents by Presidential proclamation, June 13, 1929.

i/ Skimmed milk containing more than 1 percent butterfat dutiable as whole milk.

j/ Less than \$500.

k/ Includes some cheese of other types.

l/ 3 cents in act of 1930; reduced to 2 cents by agreement with Guatemala, June 15, 1936. Honey from Cuba pays 1.2 cents.

m/ 15 percent in act of 1922; reduced to 7.5 percent by Presidential proclamation, April 6, 1924.

n/ Reduced to 5 cents per pound in trade agreement with France, effective June 15, 1933.

o/ 3 cents in act of 1930; raised to 3.9 cents by Presidential proclamation effective January 1, 1932.

p/ Tariff-quota period under 1936 agreement began December 1. Under 1939 agreement, tariff-quota period for both certified seed and other potatoes starts September 15.

q/ If Cuba agrees, rate will be reduced to 37.5 cents in December-February period.

r/ Ton of 2,000 pounds.

s/ Ton of 2,240 pounds.

Imports of barley malt have also risen in the past few years. While Canada is not the principal supplier of this item, the new agreement binds against increase the United States rate of 40 cents per 100 pounds in return for a reduction to the United States level of the Canadian duty on that product.

The United States duty on rye is placed by the new agreement at 12 cents per bushel, a reduction of 3 cents from the rate in effect since 1922. The new rate has an ad-valorem equivalent of 14 percent. The unbound Canadian duty on rye is 9 cents. Rye imports into the United States, usually quite small, rose to nearly 10 million bushels in 1935, chiefly as a result of drought. By 1937, imports were down to 207,000 bushels, of which Canada supplied more than 90 percent. The duty on rye malt, supplied chiefly by Canada, was reduced from 40 cents to 35 cents per 100 pounds.

On oats, a maximum concession is granted, making the duty 8 cents per bushel, with an ad-valorem equivalent of 13 percent. Imports are normally insignificant (58,000 bushels in 1937) and come chiefly from Canada. United States exports to Canada usually exceed imports. The Canadian duty also stands at 8 cents. The United States duties on unhulled ground oats and on oatmeal, rolled oats, oat grits, and similar products are also reduced.

The 10-percent ad-valorem rate on bran, shorts, and byproduct mill feeds is reduced by the agreement to 5 percent. This important import trade increased during the drought years to reach a value of \$6,000,000 in 1937, but the 1938 imports are considerably smaller. The 10-percent rate on wheat unfit for human consumption also is cut in half, as are the 10-cent rate on grain hulls and the 10-percent duties on mixed feeds and on screenings, scalplings, etc. On malt sprouts and brewers' grains, the duty of \$5.00 per ton is reduced to \$2.50. All of the items named in this paragraph appeared in the 1936 agreement with the duties bound at the 1930 rates.

Other Products

In the fruit and vegetable group, the 1936 duty reduction to 15 cents per bushel on apples is renewed, and new concessions are made on blueberries and other edible berries in their natural state. The 1936 concession on strawberries is also reaffirmed and an additional reduction granted in the rate on frozen blueberries. The 1936 seasonal reduction on green peas is renewed, as is the maximum reduction granted in the earlier agreement on turnips. New maximum reductions are also granted on fresh carrots, radishes, and cauliflower and a lower duty established for garden beets.

The new agreement makes a further reduction to \$15 per head on horses valued at not more than \$150 each. A moderate reduction to 17.5 percent ad valorem also is made on horses valued at more than \$150. The former reduction on hay is extended to a maximum concession. The new agreement also includes maximum reductions on straw and honey and a number of grass and clover seeds and seeds of trees and shrubs.

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